

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Transcanna Holdings Inc. (the “Company”)
Suite 820-1130 West Pender Street
Vancouver, B.C. V6E 4A4

Item 2 Date of Material Change

April 4, 2019

Item 3 News Release

A news release was disseminated on February 20, 2019 through the facilities of Newsfile Corp.

Item 4 Summary of Material Change

The Company has closed its previously announced and upsized brokered private placement of units, generating aggregate gross proceeds of CDN\$16.0 million (the “Offering”).

Item 5 Full Description of Material Change

The Company closed the Offering raising gross proceeds of \$16,000,000.

An aggregate of 8,000,000 units of the Company (the “Units”) were sold at a price of CDN\$2.00 per Unit. The Offering was conducted by a syndicate of agents co-led by Haywood Securities Inc. and Canaccord Genuity Corp., and including Gravitas Securities Inc. (collectively the “Agents”).

Each Unit comprised one common share of the Company (each a “Share”) and one half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder to acquire an additional Share at a price of \$3.00 until April 4, 2022. The Warrants are issued pursuant to a warrant indenture dated April 4, 2019 between the Company and its warrant agent, Odyssey Trust Company. A copy of the warrant indenture is available under the Company’s profile on SEDAR at www.sedar.com. The Company agreed to seek a listing of the Warrants on the CSE at such time as all applicable resale restrictions have lapsed, subject to receipt of listing approval.

A commission of 8.0% of the gross proceeds of the Offering was paid partly through the payment of \$576,668 in cash and in part through the issuance of 351,666 Units, as well as a corporate finance fee of \$250,000, plus applicable taxes, of which \$125,000 was paid in cash and the remaining \$125,000 was paid through the issuance of 62,500 Units. In addition, the Agents received

an aggregate of 640,000 non-transferable compensation options to acquire up to 640,000 Shares at a price of \$2.00 per Share until April 4, 2022.

All securities issued pursuant to the Offering are subject to a four month hold period expiring August 5, 2019 in accordance with applicable Canadian securities laws.

A director of the Company, Arni Johannson, subscribed for 10,000 Units with an aggregate cost of \$20,000 (the "Insider Participation"). Mr. Johannson's subscription did not materially alter his holdings in the Company.

As Mr. Johannson is a of the Company, he is a "related party" to the Company within the meaning of Multilateral Instrument 61-101- Protection of Minority Security Holders in Special Transactions ("MI 61-101"). As such, the Insider Participation constitutes a "related party transaction" within the meaning of MI 61-101

Other than the subscription agreement between Mr. Johannson and the Company relating to the private placement, the Company has not entered into any agreement with an interested party or a joint actor with an interested party in connection with the Offering.

The board of directors approved the Offering. There are no prior valuations in respect of the Company or the Offering and neither the board of the Company nor its officers are aware of the existence of any such valuation.

The Insider Participation is exempt from the formal valuation (pursuant to subsections 5.5(a) and (b) of MI 61-101 as the fair market value of the transaction, insofar as it involves interested parties, is not more than the 25% of the Company's market capitalization, and no securities of the Company are listed or quoted for trading on prescribed stock exchanges or stock markets) and minority shareholder approval requirements of MI 61-101 (pursuant to subsection 5.7(1)(b)) as it was a distribution of securities for cash and neither the fair market value of the units distributed to, nor the consideration received from, interested parties exceeded \$2,500,000 and the Company has one or more independent directors who are not employees of the Company and who approved the Offering).

The material change report in connection with the Offering was not filed 21 days in advance of the closing of the Offering for the purposes of Section 5.2(2) of MI 61-101 on the basis that the subscriptions under the Offering were not available to the Company until shortly before the closing.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8 Executive Officer

James Pakulis, CEO is knowledgeable about the material change and the Report and may be contacted (604) 609.6199.

Item 9 Date of Report

April 26, 2019, amending a report dated April 4, 2019