

**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 30, 2019 and May 3, 2019

**Item 3**            **News Release**

A news release was disseminated on May 6, 2019 through the facilities of Newsfile Corp.

**Item 4**            **Summary of Material Change**

On May 3, 2019, the Company appointed Haywood Securities Inc. (“Haywood”) to act as lead agent on behalf of a syndicate of agents to be formed (collectively, the “Agents”) to sell, by way of a private placement on a best efforts basis, up to 2,000,000 units of the Company (each a “Unit”) at a price of \$5.00 per Unit (the “Issue Price”) for gross proceeds of up to \$10,000,000 (the “Offering”), subject to receipt of all applicable regulatory approvals.

The Company entered into an engagement letter dated April 30, 2019 with MDM Worldwide Solutions Inc. (“MDM”) for the provision of market awareness and investor relations services.

**Item 5**            **Full Description of Material Change**

The Company intends to complete a brokered private placement to raise up to \$10.0 million through the sale of Units at a price of \$5.00 per Unit.

Each Unit will comprise 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 will entitle the holder to acquire an additional Share at a price of \$6.00 for a period of 36 months from the date of closing of the Offering (the “Closing Date”). The Warrants will be subject to an acceleration clause that would require their exercise within thirty days of notice from the Company in the event that the price of the Shares closes at or above \$10.00 for a period of 20 consecutive trading days. The Company has agreed to use commercially reasonable efforts to seek to have the Warrants listed on the Canadian Securities Exchange (the “CSE”) immediately following the expiry of applicable resale restrictions, subject to meeting the distribution requirements of the CSE for such listing.

The Company intends to use the net proceeds of the Offering for equipment and capital expenditures, additional acquisitions and for working capital and general corporate purposes.

The Company will, upon the closing of the Offering: 1) pay the Agents a commission equal to 7.0% of the gross proceeds of the Offering, payable in cash or in Units at the discretion of the Agents; and 2) issue to the Agents compensation options (the "Compensation Options") equal to 7.0% of the Units sold, subject to compliance with all required regulatory approvals. The Compensation Options will entitle the Agent's to purchase Units at an exercise price per Compensation Option that is equal to the Issue Price and have a term of 36 months from the Closing Date. The Company will also pay to Haywood Securities Inc. a corporate finance fee of \$150,000 payable in cash.

The Company entered into an engagement letter dated April 30, 2019 with MDM for the provision of market awareness and investor relations services. The engagement has a six month term at a rate of US\$12,500 per month and upon the completion of the six month term, the issuance of 10,000 common shares.

**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**

June 10, 2019