

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**

May 8 2019

Item 3 **News Release**

A news release was disseminated on May 9, 2019 through the facilities of Newsfile Corp.

Item 4 **Summary of Material Change**

The Company has entered into a non-binding letter of intent with Persuasion Brewing Co. (“Persuasion” or “PBC”), a private brewing company located in Modesto, California, whereby the Company and PBC have agreed to create a division within the Company’s recently purchased facility (the “Facility”) to establish a Persuasion Brewing division, which will produce a variety of different CBD infusion non-alcoholic beers.

Item 5 **Full Description of Material Change**

The Company entered into a non-binding letter of intent dated May 8 2019 with PBC which will grant the Company exclusive rights to private labeled beers created at the Facility; a three-year commitment from Persuasion with a 180-day termination provision; compensation due to PBC for services rendered, which is to be determined based on a percentage of sales to dispensaries; and the Company to pay for the necessary equipment, including the canning and bottling lines. Completion of the transactions contemplated by the letter of intent remain subject to negotiation of final terms and completion of definitive documentation. There can be no assurances that the completion of the transactions will occur on the terms set forth above or at all.

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