

**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**

June 28, 2019

**Item 3            News Release**

A news release was disseminated on June 29, 2019 through the facilities of Newsfile Corp.

**Item 4            Summary of Material Change**

The Company has entered into an exclusive agreement to negotiate a proposed business combination (the “Proposed Transaction”) between the Company and Lifestyle Delivery Systems Inc. (“LDS”).

**Item 5            Full Description of Material Change**

The Company entered into a letter of intent with LDS regarding a proposed business combination whereby the Company would acquire all the outstanding common shares of LDS at a price equal to the greater of \$51,660,140 payable in common shares of the Company and the amount resulting from a fixed exchange ratio of one (1) common share of the Company for every ten (10) LDS common shares held.

It is expected that the Proposed Transaction will be completed by way of a plan of arrangement, resulting in LDS becoming a wholly-owned subsidiary of the Company at closing. Following completion of the Proposed Transaction, it is expected that the outstanding options and warrants of LDS will be exercisable to acquire common shares of the Company on the basis of the exchange ratio set out above.

Completion of the Proposed Transaction remains subject to a number of conditions, including satisfactory completion by the Company and LDS of their respective due diligence investigations, the negotiation and execution of a definitive agreement, the receipt by LDS of an independent fairness opinion, the approval of LDS shareholders, in addition to other customary closing conditions, including the approval of the British Columbia Supreme Court and all other regulatory and stock exchange approvals. There is no assurance that the Proposed Transaction will be completed as described herein or at all.

LDS has agreed to certain non-solicitation and exclusivity restrictions, including a right to match in favor of the Company with respect to any third party debt or financings.

**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**

July 8, 2019