

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

TRANSCANNA HOLDINGS INC. (the "Company")
928-1030 WEST GEORGIA STREET
VANCOUVER, BC V6E 2Y3

Item 2 Date of Material Change

January 7, 2020

Item 3 News Release

The news release was disseminated by NewsFile on January 7, 2020.

Item 4 Summary of Material Change

The Company announced that the holders of a promissory note in the principal amount of US\$4,000,000 (the "Note"), that was issued in favour of the vendors of Lyfted Farms, Inc. ("Lyfted") in connection with the recent acquisition by the Company of Lyfted, have exercised an option (the "Option") pursuant to the terms of the Note to receive common shares of the Company ("Common Shares") in settlement of US\$500,000 principal amount of the Note. A total of 550,504 Common Shares will be issued pursuant to the exercise of the Option at a deemed price of CDN\$1.18 per share, after converting the principal amount being settled into Canadian dollars using the Bank of Canada indicative rate of exchange of US\$1.00 = CDN\$1.2992.

Item 5 Full Description of Material Change

The Company announced that the holders of the Note, that was issued in favour of the vendors of Lyfted in connection with the recent acquisition by the Company of Lyfted, have exercised the Option pursuant to the terms of the Note to receive Common Shares in settlement of US\$500,000 principal amount of the Note. A total of 550,504 Common Shares will be issued pursuant to the exercise of the Option at a deemed price of CDN\$1.18 per share, after converting the principal amount being settled into Canadian dollars using the Bank of Canada indicative rate of exchange of US\$1.00 = CDN\$1.2992. The principal amount of the Note will be reduced to US\$3,500,000 concurrent with the issuance of the Common Shares.

Bob Blink, Executive Vice President of Lyfted and a holder of the Note, shall receive 258,738 common shares of the Company pursuant to the exercise of the Option, which constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements provided in sections 5.5(b) and 5.7(a) of MI 61-101 on the basis that the Company's common shares are not listed or quoted for trading on a prescribed stock exchange or stock market and that the fair market value of the transaction, insofar as it involves insiders, does not exceed 25% of the Company's market capitalization. The Company will file a material change report in respect of the issuance of common shares as a result of the Option exercise, however, the material change report will not be filed 21 days prior to the issuance of the common shares as a result of the timing of the Option exercise.

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

Not applicable

Item 7 Omitted Information

Not applicable

Item 8 Executive Officer

The following executive officer of the Company is knowledgeable about the material change and this report and may be contacted by any of the securities commissions respecting the material change and this report:

Steve Giblin
President and Chief Executive Officer
Telephone: 604-200-8853

Item 9 Date of Report

January 14, 2020