

## FORM 51-102F3

### MATERIAL CHANGE REPORT

#### Item 1 – Name and Address of Company:

4Front Ventures Corp.  
5060 North 40<sup>th</sup> Street,, Suite 120  
Phoenix, Arizona  
85018

#### Item 2 - Date of Material Change:

January 30, 2020

#### Item 3 – News Release:

News release was disseminated via CNW on January 30, 2020. A copy of the news release has been filed on SEDAR and is available at [www.sedar.com](http://www.sedar.com).

#### Item 4 – Summary of Material Change:

On January 30, 2020, 4Front Ventures Corp. (“**4Front**” or the “**Company**”) announced the closing of additional funding from Gotham Green Fund II, L.P. and Gotham Green Fund II (Q), L.P., being entities associated with Gotham Green Partners, LLC (collectively referred to as “**GGP**”).

#### Item 5 – Full Description of Material Change:

##### 5.1 Full Description of Material Change

On January 30, 2020, 4Front announced the closing of additional funding from entities associated with GGP, an existing investor and the holder of secured convertible promissory notes in 4Front.

4Front issued to GGP additional senior secured convertible notes in the principal amount of US\$3,000,000 (the “**Notes**”). The Notes bear 15% interest, paid in kind, and are convertible, along with interest, at a price equivalent to US\$0.647 per subordinate voting share (“**SVS**”), a 29% premium to the SVS closing price on the Canadian Securities Exchange as of January 29, 2020. Additionally, 4Front has issued warrants equivalent to 2,230,080 SVS at US\$0.673 per share, a 35% premium to the closing price as of January 29, 2020. The Notes mature no later than six months from issuance and the warrants have a term of three years.

4Front intends to use the net proceeds from the closing of additional funding from GGP for general corporate purposes and working capital. Without limiting the generality of the foregoing, or its discretion, 4Front intends to use a portion of such proceeds to make investments in optimizing its assets and operations in California, Illinois and Massachusetts.

A copy of the Notes may be found under the Company's SEDAR profile, available at [www.sedar.com](http://www.sedar.com), and more information may be found under the Company's profile on the Canadian Securities Exchange's website.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**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:**

Joshua Rosen, CEO  
Phone: (602) 633-3992

**Item 9 – Date of Report:**

February 7, 2020