

Form 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Reporting Issuer

4Front Ventures Corp.
5060 North 40th Street, Suite 120
Phoenix, Arizona
USA 85018

Item 2: Date of Material Change

October 20, 2020

Item 3: News Release

The news release announcing the material change was disseminated through CNW on October 20, 2020 and filed on SEDAR at www.sedar.com.

Item 4: Summary of Material Change

4Front Ventures Corp. (“**4Front**” or the “**Company**”) announced that it had entered into an agreement with Beacon Securities Limited, as lead underwriter, Canaccord Genuity Corp. and Haywood Securities Inc. (collectively, the “**Underwriters**”) pursuant to which the Underwriters agreed to purchase, on a bought deal basis, 21,430,000 units (the “**Units**”) in the capital of the Company at a price of \$0.70 per Unit (the “**Offering Price**”) for an aggregate gross proceeds of \$15,001,000 (the “**Offering**”).

Item 5: Full Description of Material Change

On October 20, 2020 4Front announced that it entered into an agreement with the Underwriters pursuant to which the Underwriters agreed to purchase, on a bought deal basis, 21,430,000 Units at the Offering Price for aggregate gross proceeds to the Company of \$15,001,000.

Each Unit consists of one Class A subordinate voting share (a “**Unit Share**”) in the capital of the Company and one-half (1/2) of one class A subordinate voting share purchase warrant (each whole warrant, a “**Warrant**”) of the Company. Each whole Warrant shall entitle the holder thereof to acquire one class A subordinate voting share at an exercise price per share of \$0.90 for a period of 24 months from the Closing Date (as defined below).

The closing of the Offering is expected to occur on or about November 12, 2020 (the “**Closing Date**”) and is subject to the completion of formal documentation and receipt of all regulatory approvals, including the approval of the Canadian Securities Exchange. The net proceeds from the Offering will be used for construction of 4Front’s production facility in the city of Commerce, California and working capital and general corporate purposes.

The Company has granted the Underwriters an option (the “**Over-Allotment Option**”), exercisable, in whole or in part, by the Underwriters giving notice to the Company at any time

and from time to time up to 30 days following the Closing Date, to purchase, or to find substituted purchasers for, up to an additional number of Units equal to 15% of the number of Units sold pursuant to the Offering at the Offering Price to cover over-allotments, if any, and for market stabilization purposes. The Underwriters can elect to exercise the Over-Allotment Option for additional Units, additional Unit Shares and/or additional Warrants.

The Units to be issued under the Offering will be offered by way of a short form prospectus to be filed in all of the Provinces of Canada (except Quebec) and by private placement to eligible purchasers resident in jurisdictions other than Canada that are mutually agreed to by the Company and the Underwriters, provided that no prospectus filing or comparable obligations arises and the Company does not therefore become subject to continuous disclosure obligations in such jurisdictions.

The Units, Unit Shares and Warrants being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (“**U.S. Securities Act**”) and may not be offered or sold in the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from the registration requirements. The Units may be offered in the United States and to U.S. Persons to (i) Qualified Institutional Buyers (as defined in Rule 144A under the U.S. Securities Act) pursuant to exemptions from registration requirements under rule 144A of the U.S. Securities Act and (ii) Accredited Investors (as defined in Rule 501 under the U.S. Securities Act) pursuant to exemptions from registration requirements under Rule 506(b) of the U.S. Securities Act. This Material Change Report will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

Item 6: Reliance on Subsection 11.2(2) of National Instrument 81-106 – *Investment Fund Continuous Disclosure*

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

Leo Gontmakher, CEO
Phone: (602) 633-3992

Item 9: Date of Report

October 27, 2020

Cautionary Note Regarding Forward-Looking Information

Statements in this material change report that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in 4Front Ventures' periodic filings with securities regulators. When used in this material change report, words such as "will, could, plan, estimate, expect, intend, may, potential, believe, should," and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements related to future developments and the business and operations of 4Front Ventures, developments with respect to legislative developments in the United States, expectations regarding the COVID-19 pandemic, the proposed Closing Date of the Offering, the listing of 4Front Ventures' securities on the CSE, and other statements regarding future developments of the business and the Offering. The closing of the Offering is subject to customary conditions, including the negotiation and filing of customary documentation, and there can be no guarantee that the Offering will close.

Although 4Front Ventures has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: dependence on obtaining regulatory approvals (including from the CSE and securities regulatory bodies); investing in target companies or projects which have limited or no operating history and are engaged in activities currently considered illegal under U.S. federal laws; change in laws; limited operating history; reliance on management; requirements for additional financing; competition; hindering market growth and state adoption due to inconsistent public opinion and perception of the medical-use and adult-use marijuana industry and; regulatory or political change.

There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this material change report are made as of the date of this material change report. 4Front Ventures disclaims any intention or obligation to update or revise such information, except as required by applicable law, and 4Front Ventures does not assume any liability for disclosure relating to any other company mentioned herein.