

## Form 51-102F3

### MATERIAL CHANGE REPORT

#### Item 1: Name and Address of Reporting Issuer

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

#### Item 2: Date of Material Change

December 17, 2020

#### Item 3: News Release

The news release announcing the material change was disseminated through CNW on December 17, 2020 and filed on SEDAR at [www.sedar.com](http://www.sedar.com).

#### Item 4: Summary of Material Change

On December 17, 2020, 4Front Ventures Corp. (“**4Front**” or the “**Company**”) announced that it has completed its previously announced sale and leaseback of its cultivation and production facilities in Olympia, WA and Georgetown, MA (the “**Transaction**”) with an affiliate of Innovative Industrial Properties, Inc. (“**IIP**”) and the issuance of 12,135,922 class A subordinate voting share purchase warrants (the “**Warrants**”) on a private placement basis to LI Lending LLC (“**LI Lending**”).

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

On December 17, 2020, 4Front announced that it has completed the sale and leaseback of its cultivation and production facilities in Olympia, WA and Georgetown, MA with an affiliate of IIP.

This previously announced transaction generated proceeds of US\$33 million which were used by the Company to pay down the entire outstanding senior secured debt obligation to affiliates of Gotham Green Partners. The balance of the proceeds will be used for general corporate purposes.

In connection with this Transaction, 4Front issued LI Lending 12,135,922 Warrants on a private placement basis issued with a strike price of USD\$0.824 (the “**Private Placement**”). The Warrants have a two-year expiration period and are being issued in exchange for LI Lending waiving security on the Georgetown property which was previously part of their collateral package.

The issuance of Warrants to LI Lending constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61- 101**”). The Private Placement is exempt from the formal valuation and minority approval requirements provided under MI 6-101 as the Company is not listed on

specified markets and the fair market value (as determined under MI 61-101) of the Warrants does not exceed 25% of the Company's market capitalization (as determined under MI 61-101).

**Item 6: Reliance on Subsection 7.1(2) of National Instrument 51-102—*Continuous Disclosure Obligations***

Not applicable.

**Item 7: Omitted Information**

Not applicable.

**Item 8: Executive Officer**

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

**Item 9: Date of Report**

December 17, 2020