

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. Name and Address of Reporting Issuer:

CanBud Distribution Corporation (“**CanBud**” or the “**Corporation**”)
120 Adelaide Street West, Suite 2500
Toronto, Ontario M5H 1T1

2. Date of Material Change:

February 23, 2021 and March 8, 2021.

3. News Release:

A news release announcing the material change was issued on February 24, 2021 and March 8, 2021 and filed on SEDAR.

4. Summary of Material Change:

On February 24, 2021, announced that it closed the first tranche of its previously announced non-brokered private placement for gross proceeds of approximately \$2,639,080 (the “**Offering**”). On March 8, 2021 the Corporation announced that it closed announce that it has closed the final tranche of the Offering for aggregate proceeds of approximately \$4,724,081.52

5. Full Description of Material Change:

CanBud closed the final tranche of its oversubscribed non-brokered private placement for aggregate proceeds of \$4,729,121.52 (the “**Offering**”).

The Corporation issued a combined total of 39,409,346 units (the “**Units**”) at price of \$0.12 per Unit, with each Unit comprised of one common share in the capital of the Corporation (each a “**Common Share**”) and one common share purchase warrant (each a “**Warrant**”). Each Warrant entitles the holder to purchase one additional Common Share at an exercise price of \$0.22 within 24 months of the closing of the Offering (the “**Warrant Term**”), provided, however that if the closing price of the Common Shares on the Canadian Securities Exchange (the “**CSE**”) (or any such other stock exchange in Canada as the Common Shares may trade at the applicable time) is \$0.25 or greater per Common Share for a period of five (5) consecutive trading days at any time after the closing date of the Offering, the Corporation may accelerate the Warrant Term such that the Warrants shall expire on the date which is 30 days following the date a press release is issued by the Corporation announcing the reduced warrant terms.

Under the final tranche of the Offering, finder’s fees in the aggregate amount of \$68,690.97 in cash and 572,425 broker warrants (the “**Broker Warrants**”) were paid to a syndicate of arm’s-length finders, with the exception of \$33,831.00 and 281,925 Broker Warrants paid to Florence Wealth Management Inc. (“**Florence**”). Raj Ravindran, CFO and Director of the Corporation, is the ultimate designated person and CEO of Florence. The Broker Warrants were issued on the same terms as the Warrants. In total, \$151,481.36 in finders fees and 1,262,345 Broker warrants were paid to registered finders pursuant to the Offering.

The proceeds raised from the Offering will be used by the Corporation for working capital, business development and general corporate purposes.

All securities issued in connection with the Offering will be subject to a statutory hold period expiring four months and one day after closing. Completion of the Offering is subject to a number of conditions, including, without limitation, receipt of all regulatory approvals, including approval of the CSE.

None of the securities issued in the Offering will be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful. All securities issued pursuant to the Offering will be subject to a statutory hold period expiring four months and one day after closing of the Offering.

Two insiders as defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), participated in the Offering, either directly or indirectly, therefore the Offering constitutes a “related party transaction” within the meaning of MI 61-101. In its consideration and approval of the Offering, the board of directors of the Corporation determined that the Offering is exempt from the formal valuation and minority approval requirements of MI 61-101 on the basis that the fair market value of the Offering to related parties does not exceed 25% of the market capitalization of the Corporation, in accordance with Sections 5.5 and 5.7 of MI 61-101.

The insider participation in the Offering is as follows:

Name of Insider	Position with the Corporation	Number of Units	Value of subscription	Number and percentage of common shares held before Closing⁽¹⁾	Number and percentage of common shares held after Closing⁽¹⁾
Anthony Viele	Director	41,667	\$ 5,000.04	350,000 0.76%	391,667 0.46%
David Grant Walters	Director	41,667	\$ 5,000.04	100,000 0.22%	141,667 0.17%

Note:

- (1) Calculated on a non-diluted basis, inclusive of common shares beneficially owned, controlled or directed, directly or indirectly, and based on 46,174,061 common shares issued and outstanding prior to the closing of the Offering and 85,583,407 common shares issued and outstanding immediately following the closing of the Offering.

The directors of the Corporation approved the Offering by written resolution. The Offering was unanimously approved by the directors of the Corporation entitled to vote thereon.

The Corporation did not file a material change report more than 21 days before the closing of the

Offering as the details of the Offering, and the confirmation of insider participation in the Offering, was not definitively known to the Corporation until the date of the closing of the Offering and the board of directors determined that it was in the best interests of the Corporation to close the Offering as soon as practicable.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102.

Not applicable.

7. Omitted Information:

No information has been omitted.

8. Executive Officers:

Robert Tjandra, President and COO
E: ir@canbudcorp.com Tel: 1-416-847-7312

9. Date of Report:

March 8, 2021

Forward-looking Information Cautionary Statement

This material change report contains "forward-looking information" within the meaning of Canadian securities legislation. The forward-looking information contained in this material change report represents the expectations of the Corporation as of the date of this material change report and, accordingly, is subject to change after such date. Forward-looking information includes information including statements with respect to the future exploration performance of the Corporation. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by the Corporation at the date the forward-looking information is provided, are inherently subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information. The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information may include, but are not limited to (i) adverse market conditions; (ii) risks inherent in the CBD, psychedelics and vegan protein industries in general; (iii) the inability of the Corporation to complete the Offering and close the Offering; (iv) the CSE not approving the Offering; or (v) risks generally associated with the Corporation's business, as described in the Corporation's public filings on SEDAR, which readers are encouraged to review in detail prior to any transaction involving the securities of the Corporation. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the Corporation does not intend to update these forward-looking statements. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date.