

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

**Item 1 Name and Address of Company**

Aretto Wellness Inc. (the "Company")  
151 West Hastings Street,  
Vancouver, BC V6B 1H4

**Item 2 Date of Material Change**

December 23, 2022

**Item 3 News Release**

The news release dated December 30, 2022 was disseminated by Newsfile Corp.

**Item 4 Summary of Material Change**

On December 23, 2022, the Company settled \$400,313 in debt owing by the Company to certain creditors (the "Creditors") through the issuance of 5,337,501 common shares of the Company (the "Shares"), at a deemed price of \$0.075 per Share (the "Debt Settlement").

**Item 5 Full Description of Material Change**

*5.1 Full Description of Material Change*

On December 23, 2022, the Company completed the Debt Settlement by settling \$400,313 in debt owing by the Company to the Creditors through the issuance of the Shares at a deemed price of \$0.075 per Share.

The Debt Settlement was a "related party transaction" as defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") as two of the Creditors, Warren Spence and Robert Payment, were insiders of the Company at the time of the Debt Settlement.

In completing the Debt Settlement, the Company relied on exemptions from the formal valuation and minority shareholder approval requirements available under MI 61-101. The Debt Settlement was exempt from the formal valuation requirement under MI 61-101, given the fair market value of the transaction is not more than the 25% of the Company's market capitalization (section 5.5(a) of MI 61-101) and no securities of the Company are listed or quoted for trading on prescribed stock exchanges or stock markets (section 5.5(b) of MI 61-101). The Debt Settlement was exempt from the minority shareholder approval requirement under MI 61-101, given the fair market value of the transaction was not more than the 25% of the Company's market capitalization (section 5.7(1)(a) of MI 61-101). Mr. Spence disclosed his interest in the Debt Settlement to the Board as required under the *Business Corporations Act* (British Columbia) and did not participate in the consent approval of the Debt Settlement, which was approved by members of the Board who did not have a disclosable interest in the Debt Settlement.

*5.2 Disclosure for Restructuring Transactions*

N/A

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

N/A

**Item 7 Omitted Information**

None.

**Item 8 Executive Officer**

Robert Payment, Chief Financial Officer, 778 724-1301

**Item 9 Date of Report**

January 16, 2023