

FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Levitee Labs Inc. (“**Levitee Labs**” or the “**Company**”)
215 – 800 West Pender Street
Vancouver, British Columbia V6C 2V6

2. **Date of Material Change**

October 20, 2021

3. **News Release**

The news release announcing the material change described in this material change report was disseminated through the services of Canada NewsWire on October 21, 2021, and a copy is filed on the Company’s SEDAR profile at www.sedar.com.

4. **Summary of Material Change**

On October 21, 2021, the Company announced that it has entered into a financing agreement for up to \$12 million for further business expansion. The secured loan facility (the “**Loan**”) was arranged by RiverFort Global Capital Ltd. (a UK firm) and the Loan is from RiverFort Global Opportunities PCC Ltd. (“**RiverFort**”).

5.1 **Full Description of Material Change**

On October 21, 2021, the Company announced that it has entered into a financing agreement for up to \$12 million for further business expansion. The Loan was arranged by RiverFort Global Capital Ltd. (a UK firm) and the Loan is from RiverFort. The Company will utilize the proceeds from the Loan to support the Company’s prospective future acquisitions of several assets in the clinics, pharmacies and mental health space.

Pursuant to the terms of the Loan, Levitee has agreed to draw down an initial \$2.5 million tranche (“**Tranche 1**”), with this debt maturing on October 20th, 2023 (the “**Maturity Date**”), with interest payable by Levitee in an amount equal to 10% per annum of the amount of the Tranche 1 advance. Any subsequent advances under the Loan, which will be entirely at the discretion of Levitee, will be subject to interest payable by Levitee in an amount equal to 20%, to be applied to the term between the date of the relevant advance and the Maturity Date. The closing of Tranche 1, and each subsequent tranche of the Loan, will be subject to the satisfaction of customary closing conditions involving Levitee and RiverFort, including the final regulatory approval by the Canadian Securities Exchange.

The Loan provides for 25% warrant coverage for each advance or draw down, determined as being 25% of the principal amount of the tranche divided by the Company’s share price at the time of the advance. The exercise price of the warrants will be set at 150% of the Company’s share price at the time of the advance and the warrants will expire three years after the date they are granted. Subject to the satisfaction of the Tranche 1 closing conditions, Levitee will issue 1,378,778 warrants

(“**Warrants**”) to RiverFort whereby each Warrant will entitle RiverFort to purchase one common share of the Company (a “**Share**”) at a price of \$0.68 per Share for a term of three years.

As part of the Loan agreement, RiverFort will have the option to convert up to 50% of the principal amount of the Loan into Shares at a fixed conversion price equal to 125% of the market price of the Shares at the time of the applicable draw down. Subject to the satisfaction of the Tranche 1 closing conditions, the fixed conversion price for Tranche 1 will be \$0.544 per Share. In addition, RiverFort may at its option, once every thirty (30) days, request and require that the debt represented by the interest that has been deemed to accrue on the Loan be converted into Shares pursuant to a private placement price equal to 90% of the last closing price of the Shares on the day prior to the notice of such conversion.

A copy of the investment agreement governing the Loan and the general security agreement documenting RiverFort’s security interest in the assets of Levitee as security for the performance of Levitee’s obligations under the Loan will be filed on Levitee’s profile on SEDAR at www.sedar.com. Levitee and RiverFort are independent and operate at arm’s length from one another. The Loan agreement and any Warrants issued to RiverFort pursuant to the Loan agreement will be issued pursuant to prospectus exemptions set out in National Instrument 45-106 *Prospectus Exemptions* (“**NI 45-106**”) and any Shares issued upon conversion of the Loan or upon exercise of the Warrants will, if issued, also be issued pursuant to prospectus exemptions set out in NI 45-106 and will be subject to applicable statutory hold periods under National Instrument 45-102 *Resale of Securities*.

5.2 Disclosure for Restructuring Transaction

Not applicable.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

No significant facts have been omitted from this report.

8. Executive Officer

Mason Darabi
Chief Financial Officer
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ir@leviteelabs.com

9. Date of Report

October 21, 2021