

**FORM 51-102F3
MATERIAL CHANGE REPORT
UNDER NATIONAL INSTRUMENT 51-102**

Item 1. Name and Address of Company

Citation Growth Corp. (“CGRO” or the “Company”)
102, 1561 Sutherland Ave.
Kelowna, BC V1Y 5Y7

Item 2. Date of Material Change

October 9, 2020

Item 3. News Release

The news release attached hereto as Schedule “A” was disseminated on October 9, 2020 by Newsfile.

Item 4. Summary of Material Change

Citation Growth Corp. announces LOI to purchase retail cannabis locations in Okanagan Valley of BC

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

See news release attached hereto as “Schedule A”.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

Erik Anderson, President & CEO
Citation Growth Corp.

Item 9. Date of Report

October 9, 2020

Citation Growth Corporation Announces LOI to Purchase Retail Cannabis Locations in Okanagan Valley of B.C.

CGRO News Release
October 9, 2020

Kelowna, British Columbia—Citation Growth Corp. (CSE:CGRO) (OTCQX:CGOTF) (“Citation” or “Company”), a licensed multi-state Cannabis cultivator, producer and retailer, is pleased to announce that it has executed a non-binding letter of intent dated October 8, 2020 (“LOI”) with 1260474 BC Ltd. (the “Vendor”) to purchase two completed retail cannabis stores located in the Okanagan Valley of British Columbia. Citation’s management team anticipates the execution of a Definitive Agreement (the “Definitive Agreement”) to purchase the business on or before November 30, 2020 with the closing of the transaction (the “Closing”) anticipated to follow shortly thereafter upon the satisfaction of such terms and conditions precedent to the Closing, which are customary for transactions of this nature.

With British Columbia moving towards a direct delivery sales system, Citation will have the ability to deliver from its micro cultivation facility in Vernon, BC directly to these stores in the Central and Southern Okanagan Valley. Paired with Wednesday’s announcement of the LOI with Laughing Turtle Farms, Citation will be vertically integrated in BC and the Canadian cannabis market. These two acquisitions strategically focus on the short-term financial goals of Citation by increasing revenue, adding to the bottom line, increasing cash flow and the long-term strategic goals with a minority presence in Canada while increasing US operations as the main objective.

“While we’re still laser-focused on our US operations in Nevada and California, the opportunity to add two retail stores and a micro cultivation operation in BC presented a means to increase our top-line revenue and profitability immediately” commented Citation CEO, Erik Anderson. “Neither this acquisition nor the acquisition of Laughing Turtle Farms will require any cash outlay as both deals contain an earnout component from annual profits as well as a share position in Citation. Laughing Turtle Farms is a complete turn-key operation and both retail stores will be staffed from operations, meaning that no additional working capital will be required to complete these acquisitions. We are very excited to become a small-batch, vertically integrated craft producer in BC.”

It should be noted that Citation’s strategy of maximizing brand exposure for Fiore and Diamante in Nevada is well under way with multiple upgrades having been completed at the Apex cultivation and production facility in North Las Vegas. Citation’s dispensary in Desert Hot Springs, California has also been growing its market share over the past nine months and sales have been on the rise due to additional marketing of the store as well as adding an express window and deliver services throughout the Coachella Valley.

Citation still plans to divest its Celista, BC asset to Indigenomix and is working collaboratively with their team to finalize financing to complete the sale. Further updates will be made available over the coming weeks.

“Due to the constantly changing dynamics of the US and Canadian Cannabis Industries, it was necessary to shift our Canadian focus to take advantage of the opportunity to increase revenues and become cash flow positive as per the company’s direction,” commented Chairman, Marcel LeBlanc. “This deal not only helps us meet our targets; it will allow us to gain more attention from US investors while having no upfront cash outlays”.

Citation’s Board of Directors and Management Team believes this deal will:

1. maximize revenues due to synergies in the Western Canadian supply chain;
2. accelerate overall company revenue and profitability with immediate cash flow positive operations in BC; and
3. strategically and correctly position Citation as an International Cannabis Company as well as a US multi-state operator.

Terms of the Proposed Transaction

Citation will pay \$2,000,000 through a combination of shares and an earn out to be negotiated in the Definitive Agreement. This transaction will not have any immediate cash outlays and any such earn outs will be paid no sooner than one year of the transaction close date. The LOI agrees that the Vendor will remain in a working capacity as a retail operator.

Additional details regarding the Proposed Transaction will be provided in a comprehensive press release if and when the parties enter into the Definitive Agreement. The Definitive Agreement will incorporate the principal terms of the Proposed Transaction described herein and may be modified by agreement between the Company and the Purchaser prior to finalizing the Definitive Agreement. In addition, more detailed terms and conditions of the structure and nature of the Proposed Transaction will be made available after receiving further tax, legal, securities, regulatory and financial advice from the respective advisors. The Proposed Transaction is subject to due diligence by the Purchaser as well as the customary conditions for a transaction of this nature, which include all necessary security-holder and corporate approvals, third-party consents, permits, including those of government authorities, and the approval of the CSE, if required.

About Citation Growth Corp.

Citation Growth Corp. (CSE:CGRO) (OTCQX:CGOTF) is a publicly traded company that has been investing in the development of medical and recreational cannabis products since 2014. Citation has expanded its operating portfolio to include cultivation, production and retail offerings in our key North American legal jurisdictions Nevada, California, Washington and British Columbia. For more information, please visit www.citationgrowth.com.

For Further Information:

Erik Anderson, President and CEO

1-877-438-5448 Ext. 713

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Cannabis Industry Involvement:

The Company owns marijuana licenses in California and Nevada. Marijuana is legal in each state; however, marijuana remains illegal under United States federal law and the approach to enforcement of U.S. federal law against marijuana is subject to change. Shareholders and investors need to be aware that federal enforcement actions could adversely affect their investments and that the Company's ability to support continuing U.S.-based operations and its access private and public capital could be materially adversely affected.

Forward-Looking Statements:

This news release contains forward-looking statements or information that relate to our current expectations and views of future events. These statements relate to future events or future performance. Statements which are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, outlook, expectations or intentions regarding the future including words or phrases such as "anticipate", "objective", "may", "will", "might", "should", "could", "can", "intend", "expect", "believe", "estimate", "predict", "potential", "plan", "is designed to", "project", "continue", or similar expressions suggest future outcomes or the negative thereof or similar variations. Forward-looking statements may also include, among other things, statements about the future business strategy; expectations of obtaining licenses and permits; expectations regarding expenses, sales and operations; future customer concentration; anticipated cash needs and estimates regarding capital requirements and the need for additional financing; total processing capacity; the ability to anticipate the future needs of customers; plans for future products and enhancements of existing products; future growth strategy and growth rate; future intellectual property; changes in laws and regulations; regulatory approvals and other matters; and anticipated trends and challenges in the markets in which the Company may operate.