

**FORM 51-102F3**

**Material Change Report**

**1. Name and Address of Company:**

Chemistree Technology Inc.  
P.O. Box 10322, Pacific Centre  
Suite 810 – 609 Granville Street  
Vancouver, BC V7Y 1G5

(the "Company")

**2. Date of Material Change:**

November 27, 2018

**3. News Release:**

A news release was disseminated on October 16, 2018 and was subsequently filed on SEDAR.

**4. Summary of Material Change:**

Chemistree Technology Inc. (Canadian Securities Exchange: CHM) (US OTCQB: CHMJF) (the "Company" or "Chemistree") is pleased to announce that the Company has entered into a strategic collaboration (the "Collaboration") with a Humboldt County-based cannabis processing company (the "Processor") located in Arcata, California. Pursuant to the Collaboration, Chemistree will loan the Processor US\$450,000 (the "Loan"), and the parties also intend to negotiate an additional line of credit for working capital purposes. Chemistree expects the Processor will use the proceeds of the loan for business expansion, including to, among other things, purchase additional equipment and make tenant improvements to its facility.

**5. Full Description of Material Change:**

Chemistree Technology Inc. (Canadian Securities Exchange: CHM) (US OTCQB: CHMJF) (the "Company" or "Chemistree") is pleased to announce that the Company has entered into a strategic collaboration (the "Collaboration") with a Humboldt County-based cannabis processing company (the "Processor") located in Arcata, California. Pursuant to the Collaboration, Chemistree will loan the Processor US\$450,000 (the "Loan"), and the parties also intend to negotiate an additional line of credit for working capital purposes. Chemistree expects the Processor will use the proceeds of the loan for business expansion, including to, among other things, purchase additional equipment and make tenant improvements to its facility.

Karl Kottmeier, Chemistree's President, commented "This is a great advancement for Chemistree. Not only is the Processor a highly regarded service provider in the Humboldt cannabis industry, with deep relationships with local cultivators, we believe they are also primed for growth in their sector. We believe that Chemistree can provide capital and

management depth to rapidly expand the Processor's business, both in the local Humboldt area, across the state of California, and ultimately into new jurisdictions across the United States where legal cannabis processing and product development is in formative stages. Chemistree will also work with the Processor to purchase cannabis biomass on a proprietary basis and process that biomass to ultimately be sold as a Chemistree or Sugarleaf branded product.

The Processor holds a "Type 6: Non Volatile Solvent Extraction" license from the State of California. The Processor uses Apeks super critical CO2 extraction to produce cannabis oil, terpene profiles and other products on behalf of cannabis cultivators, other manufacturers and processors throughout northern California.

Chemistree expects to fund the Loan from its existing cash on hand. In addition, in consideration for benefits received by Chemistree under the Collaboration, it has agreed to issue 100,000 common shares to the principal of the Processor.

Additionally, Chemistree is pleased to announce it has engaged Native Ads to provide, manage and consult on a wide variety of marketing and digital marketing initiatives for the company.

#### **About Chemistree Technology Inc.**

Chemistree Technology Inc. is an investment company dedicated to the U.S. and international cannabis sector, providing turn key solutions for the regulated cannabis industry. The Company's corporate strategy is to acquire and develop vertically integrated cannabis assets, leveraging management's decades of expertise in the cannabis industry and corporate finance to own and operate licensed cultivation, processing, distribution and retail facilities. The Company currently owns assets in Washington State used to operate the Sugarleaf brand, prospective cannabis cultivation lands in California, a first investment in the Canadian cannabis sector through Pasha Brands and has a robust pipeline of assets to grow its base of business. For more information, visit [www.chemistree.ca](http://www.chemistree.ca).

#### **Advisory**

The Company wishes to inform shareholders that there are significant legal restrictions and regulations that govern the cannabis industry in both Canada and the United States.

#### **Cannabis-related Practices or Activities are Illegal Under U.S. Federal Laws**

The concepts of "medical cannabis" and "recreational cannabis" do not exist under U.S. federal law. The Federal Controlled Substances Act classifies "marihuana" as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. As such, cannabis related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. Enforcement

of U.S. federal laws will be a significant risk to the business of the Company following the completion of the acquisitions, and any such proceedings brought against the Company may adversely affect the Company's operations and financial performance.

Further information regarding the legal status of cannabis related activities and associated risk factors, including, but not limited to, risk of enforcement actions, risks that third-party service providers, such as banking or financial institutions cease providing services to the Company, and the risk that Company may not be able to distribute profits, if any, from U.S. operations up to the Company, are included in the Form 2A listing statement filed with the CSE.

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

Not applicable.

7. **Omitted Information:**

Not applicable.

8. **Executive Officer Knowledgeable of Material Change:**

Douglas Ford, CFO  
Telephone: (604) 678-8941

9. **Date of Report:**

November 27, 2018

**CHEMISTREE TECHNOLOGY INC.**

By: "Douglas Ford"  
Chief Financial Officer  
(Official Capacity)  
Douglas Ford  
(Please print here name of individual whose  
signature appears above.)