

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:

December 11, 2018

3. News Release:

A news release was disseminated on December 11, 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 provide a progress report as it awaits award of the Continuous Use Permit from the City of Desert Hot Springs for its 9.55 acre property in located in the City's cannabis cultivation-friendly zone.

5. Full Description of Material Change:

Chemistree Technology Inc. (Canadian Securities Exchange: CHM) (US OTCQB: CHMJF) (the "Company" or "Chemistree") is pleased to provide a progress report as it awaits award of the Continuous Use Permit from the City of Desert Hot Springs for its 9.55 acre property in located in the City's cannabis cultivation-friendly zone.

Karl Kottmeier, Chemistree's President, commented "Our submission to the City of Desert Hot Springs is advancing through the regulatory process and our most recent update from our contractor has provided us with the good news that due to a rework of our plans by the City Engineer, we have an unexpected savings of approximately \$500,000 to the project budget. We are confident that our submission will be successful and we are looking forward to working with the City of Desert Hot Springs going forward."

Chemistree, as previously announced, plans to develop a greenhouse cultivation facility at the site that includes two separate cultivation buildings totaling 127,960 square feet and an additional 119,960-square-foot building intended for warehousing and processing facilities. Fully constructed, a facility of this size has the potential to produce approximately 50,000 pounds of cannabis flower per year.

The Company is also finalizing its business development plans for 2019 to augment the Arcata processing partnership, the Desert Hot Springs project, the Washington cultivation operations and the Sugarleaf brand expansion. Potential new business initiatives for the company include adding key industry people in sales positions in Washington and California, developing a proprietary CBD-focused line of products and most importantly expanding the Company's presence outside of Washington and California to other states where opportunities exist in the rapidly growing cannabis industry.

Company Chairman Justin Chorbajian said "This has been an exciting and busy year for Chemistree. I am gratified to see that our team's deep experience in the cannabis industry and the many friends, colleagues and contacts we have are continuing to provide opportunity after opportunity for us to consider. We have always known that our key to success will be rooted in our people and our ability to attract industry leading talent."

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.

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:**

December 11, 2018

CHEMISTREE TECHNOLOGY INC.

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