

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Christina Lake Cannabis Corp. (the “Company”)
Suite 810 – 789 West Pender Street
Vancouver, BC V6C 1H2

Item 2 Date of Material Change

September 30, 2021

Item 3 News Release

The news release was disseminated by Globenewswire on September 30, 2021 and it was filed on SEDAR and posted to the Company’s disclosure hall with the CSE on September 30, 2021.

Item 4 Summary of Material Change

On September 30, 2021, the Company granted 1,000,000 restricted share units (“RSUs”) to the President of the Company. 250,000 of the RSUs vest immediately upon issuance, with the balance to vest in three increments of 250,000 over 18 months. The RSUs were priced at \$0.37 based on the closing price of the common shares on the Canadian Securities Exchange on September 29, 2021.

Item 5 Full Description of Material Change

Item 5.1 Full Description of Material Change

Please see the attached news release dated September 30, 2021.

Item 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

Joel Dumaresq, Chief Executive Officer
Telephone: 604-687-2038

Item 9 Date of Report

October 1, 2021

Christina Lake Cannabis Optimizes Harvesting and Trimming Techniques for 2021 Crop

VANCOUVER, British Columbia, SEPTEMBER 30, 2021 Christina Lake Cannabis Corp. (the “Company” or “CLC” or “Christina Lake Cannabis”) (CSE: CLC) (OTCQB: CLCFF) (FRANKFURT: CLB) is pleased to announce that it is observing excellent results from the initial harvest of its 2021 growing season. In addition to favourable weather conditions in which CLC’s advanced proprietary genetics have performed especially well, these results can also be attributed to the implementation of optimized harvesting and trimming techniques coordinated under the leadership of the Company’s Master Growers, who have more than 25 years of experience in cultivating cannabis in southeastern British Columbia. These optimized techniques seek to improve process efficiency, reduce operational costs, and increase tetrahydrocannabinol (“THC”) concentration of finished product. Additionally, by using a new material separation method, Christina Lake Cannabis will be able to enter additional market segments by adding pre-rolled products, kief, premium hashish (commonly referred to as “hash”), and rosin concentrates. Furthermore, the Company has implemented new industrial-grade trimming and destemming equipment with the ability to process up to 2,250 lbs (wet)/450 lbs (dry) and 2,400 lbs (wet)/480 lbs (dry) per hour, respectively. By enhancing its ability to reduce raw biomass (*i.e.*, removing leaves, stems, and other components of cannabis plants not used in processing), the Company expects to realize significant cost efficiencies in producing extracted material and distillate for licensed customers and producers.



Christina Lake Cannabis team members are pictured above preparing freshly harvested cannabis plants for further processing and refinement.

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As of this writing, Christina Lake Cannabis' Master Growers have identified the 2021 crop as being more robust than the crop from the previous growing season, with many plants currently exceeding ten feet in height. This performance is expected to surpass that of last year based on climate forecasts for the rest of the growing season, which currently suggest that the optimal conditions will prevail through the balance of the harvest season. More than 90 "experimental" proprietary cannabis strains, which are continuing to perform exceptionally well as detailed in the Company's [July 14, 2021](#) press release, are being cultivated alongside the seven "proven" strains that comprise the majority of this year's crop. Several "experimental" strains that have demonstrated a strong natural resistance to mold and pests as well as above-average THC levels, are currently contenders for addition to the Company's grow profile for its 2022 growing season. This approach to curating proprietary strains of cannabis continues to provide a unique competitive advantage to the Company, which can utilize its ample acreage to conduct extensive research and development to maximize its per-gram THC yield.



In total, more than 100 different proprietary cannabis strains are being cultivated outdoors by Christina Lake Cannabis in its 2021 growing season. This year's weather conditions have provided exceptional circumstances in which the cannabis plants have thrived, with several currently exceeding ten feet in height.

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Christina Lake Cannabis expects to complete harvesting this year's crop by the end of October 2021, and intends to begin sales initiatives for its new product ranges in Q4 2021 to complement its existing offerings, for which the Company has already established a strong sales pipeline. CLC is continuing to fulfill orders from its licensed producer accounts as quarter-over-quarter sales continue to grow.

Additional information on sales can be expected in the Company's soon-to-be-released Q2 2021 quarterly financial statements.



The Company's industrial-grade trimming and destemming machinery is already proving effective in its ability to rapidly process raw biomass and improve CLC's overall throughput.

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Joel Dumaresq, Chief Executive Officer and Director of Christina Lake Cannabis commented, "As we begin to wrap up our second growing season, we've picked up many valuable insights with respect to operating efficiently and ensuring a consistently high-quality output of finished product. With the significant investment we've made into our new industrial-grade trimming and destemming machinery, coupled with the more than 100 'proven' and proprietary 'experimental' strains with impressive THC yields, we are well-positioned to enter new segments of the cannabis market to further expand our sales pipeline."

In addition to the above operations update, and in recognition of the progress the Company has made this year in growing sales, it has granted the President of CLC 1,000,000 restricted share units ("RSUs") under the Company's shareholder-approved restricted share unit plan (the "RSU Plan"). An allocation of 250,000 of the RSUs vest immediately upon issuance, with the balance to vest in three increments of 250,000 over 18 months. The RSUs entitle the holder to acquire one common share (a "Share") of the Company underlying each such RSU by delivering a notice of acquisition to the Company in accordance with the RSU Plan. In accordance with the RSU Plan, the RSUs were priced at \$0.37 based on the closing price of the Shares on the Canadian Securities Exchange ("CSE") on September 29, 2021.

About Christina Lake Cannabis Corp.

Christina Lake Cannabis Corp. is a licensed producer of cannabis under the *Cannabis Act*. It has secured a standard cultivation licence and corresponding processing/sales amendment from Health Canada (March 2020 and August 2020, respectively) as well as a research and development licence (early 2020). CLC's facility consists of a 32-acre property, which includes over 950,000 square feet of outdoor grow space, offices, propagation and drying rooms, research facilities, and a facility dedicated to processing and extraction. CLC also owns a 99-acre plot of land adjoining its principal 32-acre site, which enables the Company to grow at a much larger scale. CLC cultivates cannabis using strains specifically developed for outdoor cultivation and in its inaugural harvest year produced 32,500 kg (71,650 lb) on its existing facility before developing an adjacent 99-acre expansion property. Such an expansion will ultimately bring CLC's annual cultivation footprint to over 4.35 million square feet, which could enable at least 150,000 kg (330,693 lb) of low-cost, high-quality, sun-grown cannabis to be produced annually by the Company.

On behalf of Christina Lake Cannabis Corp.:

"Joel Dumaresq"

Joel Dumaresq, CEO and Director

For more information about CLC, please visit: www.christinalakecannabis.com

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THE CANADIAN SECURITIES EXCHANGE (“CSE”) HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ACCURACY OR ADEQUACY OF THIS RELEASE, NOR HAS OR DOES THE CSE’S REGULATION SERVICES PROVIDER.

Forward-Looking Information: This news release includes certain statements that may be deemed “forward-looking statements.” The use of any of the words “anticipate,” “continue,” “estimate,” “expect,” “may,” “will,” “would,” “project,” “should,” “believe” and similar expressions are intended to identify forward-looking statements. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. These statements speak only as of the date of this News Release. Actual results could differ materially from those currently anticipated due to a number of factors and risks including various risk factors discussed in the Company’s disclosure documents which can be found under the Company’s profile on <http://www.sedar.com>.

Statement Regarding Third-Party Investor Relations Firms

Disclosures relating to investor relations firms retained by Christina Lake Cannabis Corp. can be found under the Company’s profile on <http://sedar.com>.