

FORM 10

NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving an issuance or potential issuance of a listed security)¹

Name of Listed Issuer: Pac Roots Cannabis Corp. (the "Issuer").

Trading Symbol: PACR

Issued and Outstanding Securities of the Issuer Prior to Transaction: 63,832,966

Date of News Release Fully Disclosing the Transaction: June 1, 2020 and July 7, 2020

1. Transaction

1. Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: The Issuer has entered into an investment agreement with a private British Columbia company ("BC Co") for the formation of a joint venture entity that will operate a 100 acre commercial hemp operation in Rock Creek British Columbia. The Issuer's contribution to the joint venture will be an aggregate of \$450,000 in capital, of which \$200,000 has been funded to date and the balance of which will be funded upon closing of the investment agreement. BC Co has contributed two commercial leases for over 100 acres of growing space, consulting services, cultivation licenses and equipment, agricultural infrastructure and intellectual property relating to commercial scale hemp operations and proprietary biomass storage techniques. Profits generated from the joint venture will be distributed first to the Issuer until its capital contributions have been repaid and thereafter in accordance with the interests in the joint venture held by the parties. Closing of the investment agreement is conditional upon the completion of a financing of the Issuer generating aggregate gross proceeds of \$600,000 and receipt of any applicable regulatory approvals

2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments:

(a) Total aggregate consideration in Canadian dollars: \$450,000 .

(b) Cash: \$450,000 .

(c) Other: _____ .

¹ If the transaction involved the issuance of securities, other than debt securities that are not convertible into listed securities, use Form 9.

- (d) Work commitments: _____ .
3. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc). The terms were negotiated by the parties through negotiation by the arm's length representatives.
4. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer: Not applicable.
5. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: The Issuer review the applicable licenses and lease agreements
6. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.): Not applicable.
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): _____
- (b) Cash _____
- (c) Other _____
7. State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has any other relationship with the Issuer and provide details of the relationship. As Marc Geen is a controlling shareholder of BC Co. and, at time the transaction was negotiated, a director of the Issuer, the joint venture transaction constituted a "related party transaction" as such term is defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Issuer is relying on exemptions from the formal valuation and minority approval requirements under MI 61-101. The Issuer relied on Section 5.5(a) of MI 61-101 for an exemption from the formal valuation requirement and Section 5.7(1)(a) of MI 61-101 for an exemption from the minority shareholder approval requirement of MI 61-101 as the fair market value of the consideration to be contributed by the Issuer represented less than 25% of the Issuer's market capitalization. Mr. Geen abstained from voting on the resolutions approving the joint venture transaction and declared his interests in BC Co to the board

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8. If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. Not applicable

2. Development

Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: Not applicable.

3. Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed material information relating to the Issuer, other than in relation to the transaction.
3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
4. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Dated July 7, 2020.

Patrick Elliott
Name of Director or Senior Officer

"Signed"
Signature

CEO
Official Capacity