

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

Item 1 Name and Address of Company

Heritage Cannabis Holdings Corp. (the "Company")
929 Mainland Street
Vancouver, British Columbia
V6B 1S3

Item 2 Date of Material Change

November 7, 2018

Item 3 News Release

A News Release dated November 7, 2018 was disseminated via TheNewswire and filed on SEDAR on November 7, 2018.

Item 4 Summary of Material Change

The Company announced that further to its news release of October 18, 2018, the Company has completed the best efforts private placement of 30,000,000 special warrants at the price of \$0.25 per Special Warrant for aggregate gross proceeds of \$7,500,000. The offering was conducted by a syndicate of agents led by Cormark Securities Inc, and including Canaccord Genuity Corp.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that further to its news release of October 18, 2018, the Company has completed the best efforts private placement of 30,000,000 special warrants (the "Special Warrants") at the price of \$0.25 per Special Warrant for aggregate gross proceeds of \$7,500,000. The offering was conducted by a syndicate of agents led by Cormark Securities Inc, and including Canaccord Genuity Corp.

Each Special Warrant entitles the holder thereof to receive, upon exercise or deemed exercise and without payment of additional consideration, one unit of the Company (each a "Unit"), subject to a penalty clause. All unexercised Special Warrants shall be deemed exercised on behalf of, and without any required action on the part of, the holders on the earlier of: (i) March 8, 2019 and (2) the third business day after the date on which a receipt for a final short form prospectus qualifying the Units underlying the Special Warrants is issued by the British Columbia Securities Commission, on behalf of the applicable securities commissions.

Each Unit is comprised of one common share of the Company (the "Common Shares") and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one

Common Share at an exercise price of \$0.35 on a date that is the earlier of (i) May 7, 2021 and (ii) the date specified in any warrant acceleration notice.

In consideration for their services, the Agents received cash commission of \$387,825 and an aggregate of 1,551,300 broker special warrants (the “Broker Special Warrants”). Each Broker Special Warrant will be automatically exercised without payment of additional consideration into one broker warrant (each, a “Broker Warrant”). Each Broker Warrant is exercisable for one Unit at an exercise price of \$0.25 for a period of 30 months from the date hereof.

The Company intends to use the proceeds of the offering to fund internal capacity expansion, purchase extraction equipment and for other general corporate purposes.

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

Clint Sharples
Chief Executive Officer
604-628-1767
info@heritagecann.com

Item 9 Date of Report

November 7, 2018.