

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1            Name and Address of Company**

Gnomestar Craft Inc.  
8788 River Road  
Delta, BC V4G 1B4

**Item 2            Date of Material Change**

March 26, 2021

**Item 3            News Release**

The news release attached hereto as Schedule "A" announcing the material change described herein was disseminated through the news dissemination services of Stockwatch and Baystreet on March 26, 2021.

**Item 4            Summary of Material Change**

The Company settled the outstanding legal claims of former directors Ivan Miliovski and Plamen Ovagemov in the amounts of \$174,206 and \$174,560 converted respectively to 1,833,800 and 1,837,500 common shares of the Company at a deemed issue price of \$0.095 per share.

**Item 5            Full Description of Material Change**

**5.1                Full Description of Material Change**

The Company settled the outstanding legal claims of former directors Ivan Miliovski and Plamen Ovagemov (each a "**Creditor**") in the amounts of \$174,206 and \$174,560 converted respectively to 1,833,800 and 1,837,500 common shares of the Company (the "**Shares**") at a deemed issue price of \$0.095 per Share.

Each Creditor has agreed to accept, the Shares as full and final payment of the Company's indebtedness and satisfaction of any claims against the Company. All Shares issued pursuant to the Debt Settlement are subject to hold periods as follows:  $\frac{1}{4}$  of the shares four months and one day,  $\frac{1}{3}$  of the remaining shares on the 8-month anniversary,  $\frac{1}{2}$  the remaining shares on the 12-month anniversary and the remaining shares on the 16-month anniversary of the date of issuance.

The terms of this settlement are subject to the approval of the CSE Exchange.

**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**

Mark Lotz,  
CEO and Chief Financial Officer  
(604) 880-6546

**Item 9            Date of Report**

March 26, 2021



## **Gnomestar Craft Inc. Announces Debt Settlement and Conversion of Debt.**

**Vancouver, British Columbia, March 26, 2021** - Gnomestar Craft Inc. (CSE: GNOM, FSE: 1JV1, OTC: VDQSF) ("Gnomestar" or the "Company") announces that it has settled the outstanding legal claims of former directors Ivan Miliovski and Plamen Ovagemov (each a "Creditor") in the amounts of \$174,206 and \$174,560 converted respectively to 1,833,800 and 1,837,500 common shares of the Company (the "Shares") to at a deemed issue price of \$0.095 per Share.

Each Creditor has agreed to accept the Shares as full and final payment of the Company's indebtedness and satisfaction of any claims against the Company. All Shares issued pursuant to the Debt Settlement are subject to hold periods as follows:  $\frac{1}{4}$  of the shares four months and one day,  $\frac{1}{3}$  of the remaining shares on the 8-month anniversary,  $\frac{1}{2}$  the remaining shares on the 12-month anniversary and the remaining shares on the 16-month anniversary of the date of issuance.

The terms of this settlement are subject to the approval of the CSE Exchange.

About Gnomestar Craft Inc.

Gnomestar Craft Inc. (CSE: GNOM) is a Craft cannabis company, producing the highest quality hand trimmed proprietary cultivars grown in its 12,000 sqft indoor Delta, BC. Facility.

**For further information please contact:**

Mark Lotz, Chief Executive Officer and CFO

Gnomestar Craft Inc.

Email: [mark@vodis.ca](mailto:mark@vodis.ca)

### **NOT FOR DISSEMINATION IN THE UNITED STATES OR THROUGH UNITED STATES NEWSWIRE SERVICES**

Neither the Canadian Securities Exchange nor its regulation services provider accepts responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

**Forward-Looking Information:** *This news release contains "forward-looking information" within the meaning of applicable securities laws including statements relating to the outlook of the business of the Company, the planned expenditures for upgrades and other renovations at the Company's facilities in Delta, BC. Although the Company believes considering the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate, that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them as the Company can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements, depending on, among other things, the risks that the private placement financings may not close for any reason (including the failure to obtain the required approvals or clearances from regulatory authorities) or that the terms of the private placement financing may differ from those that currently are contemplated. The statements*

*in this news release are made as of the date of this release. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.*