

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Cannara Biotech Inc. (formerly, Dunbar Capital Corp.) (“**Cannara**” or the “**Company**”)
Suite 2050 - 1055 West Georgia Street
P.O. Box 11121, Royal Centre
Vancouver, BC V6E 3P3

Item 2. Date of Material Change

January 14, 2019.

Item 3. News Release

News Release dated January 11, 2019 was disseminated via CNW and filed on SEDAR on January 11, 2019.

Item 4. Summary of Material Change

The Company will begin trading on Monday, January 14, 2019 on the Canadian Securities Exchange under the symbol "LOVE".

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The Company will begin trading on Monday, January 14, 2019 on the Canadian Securities Exchange (“**CSE**”) under the symbol "LOVE" and will be a reporting issuer in Ontario on January 14, 2019. The Company’s ISIN is CA13765U1012 and CUSIP is 13765U101.

Since July 2018, the Company closed on two private financings for a total of approximately \$55 million. The most recent private placement was completed at a price of \$0.18 per subscription receipt for aggregate gross proceeds of approximately \$37.4 million. The Company today has a strong balance sheet with a cash position in excess of \$40 million (which includes funds being held in trust, pending the closing of the subscription receipt transaction upon listing).

In June 2018, Cannara completed the acquisition of a 625,000 sq. ft. indoor facility in Farnham, Quebec, located 45 minutes from downtown Montreal. Phase 1 construction of the facility, approximately 130,000 sq. ft., with a capacity of 15,000 kg of cannabis is well

underway and expected to be completed in Q1 2019. The building has access to 15 megawatts of the lowest power rates in North America. Upon final completion of Phases 2 and 3, the multi-purpose facility will boast a peak capacity of more than 100,000 kg of cannabis, with broad production and processing capabilities for a range of cannabis infused products and therapies.

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

None.

Item 8. Executive Officers

The following senior officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted:

Lennie Ryer, Chief Financial Officer
Telephone: 514-913-9136

Item 9. Date of Report

DATED at Vancouver, BC, this 11th day of January, 2019.