

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

**Item 1. Name and Address of Company**

Citation Growth Corp. (“CGRO” or the “Company”)  
102, 1561 Sutherland Ave.  
Kelowna, BC V1Y 5Y7

**Item 2. Date of Material Change**

October 18, 2019

**Item 3. News Release**

The news release attached hereto as Schedule “A” was disseminated on October 18, 2019 by Stockwatch.

**Item 4. Summary of Material Change**

The Company announced defaults on debts and intention to amend terms of convertible debentures.

**Item 5. Full Description of Material Change**

**5.1 Full Description of Material Change**

See news release attached hereto as “Schedule A”.

**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**

Nilda Rivera, CFO & Corporate Secretary  
Citation Growth Corp.

**Item 9. Date of Report**

October 18, 2019

## **Citation Announces Defaults on Debts and Intention to Amend terms of Convertible Debentures**

**KELOWNA, BRITISH COLUMBIA** - October 18, 2019 - **Citation Growth Corp. (CSE: CGRO) (OTCQX: CGOTF) ("Citation" or the "Company")**, a licensed cannabis cultivator and producer announces that the Company has been provided with a notice of default on the debt with NPI Debt Fund II secured by a deed of trust in the principal amount US\$1.9 million and demand for payment of past due interests, fees and expenses of approximately US\$459,000 on or before October 31, 2019 (the "Default Notice"). If the Company fails to remedy the Default Notice, it will be given a notice of foreclosure sale under the deed of trust.

Additionally, the Company is in default of its obligation under its 8.5% secured convertible bonds (the "Bonds") in the principal amount of US\$1.17 million as it was unable to make the required interest payments of US\$24,862. The Bonds are convertible into common shares of the Company at a price of \$12 per share maturing May 1, 2020.

The Company also announces that intends to amend the terms of its outstanding 10% unsecured convertible debentures (the "Debentures") in the principal amount of CAD\$2.6 million which mature on October 23, 2019. Under the terms of the Debentures, the holder is entitled to convert all or any part of the Debentures into units of the Company at a price of \$0.80 per unit. Each unit consists of one common share and one warrant exercisable at \$2.00 per share expiring October 23, 2019. The proposed amended terms will be announced on a separate news release.

About Citation Growth Corp.

Citation Growth Corp. is a publicly traded company that has been investing in the medical and recreational cannabis space since 2014. Citation has rapidly expanded its operating portfolio to include cultivation, production, and dispensary locations in key North American state-legal jurisdictions and is seeking expansion opportunities worldwide.

For Further Information:

Rahim Mohamed, President  
[RM@citationgrowth.com](mailto:RM@citationgrowth.com)  
1-877-438-5448 EXT 718

Paul Searle, Corporate Communications  
1-877-438-5448 EXT 714  
[psearle@citygatecap.com](mailto:psearle@citygatecap.com)

Please stop by and have a look at our new website at [www.citationgrowth.com](http://www.citationgrowth.com)

**Stock Exchanges:**

Citation trades in Canada, under the ticker symbol "CGRO" on the CSE, and in the U.S., under the ticker symbol "CGOTF" on the OTCQX Best Market (the "QTCQX"). The Company also trades

on other recognized platforms in Europe including Frankfurt, Stuttgart, Tradegate, L & S, Quotnx, Dusseldorf, Munich, and Berlin.

Neither the CSE nor its Regulation Services Provider, nor the OTCQX® has approved nor disapproved the contents of this press release. Neither the CSE, nor the OTCQX® accepts responsibility for the adequacy or accuracy of this release.