

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

Item 1. Name and Address of Company

Fiore Cannabis Ltd. (“**FIOR**” or the “**Company**”)
102, 1561 Sutherland Ave.
Kelowna, BC V1Y 5Y7

Item 2. Date of Material Change

June 02, 2021

Item 3. News Release

The news release attached hereto as Schedule “A” was disseminated on June 02, 2021 by Newsfile.

Item 4. Summary of Material Change

Fiore Cannabis Announces First Quarter 2021 Financial Results Showing Company Turnaround

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

Erik Anderson, President & CEO
Fiore Cannabis Ltd.

Item 9. Date of Report

June 02, 2021

Fiore Cannabis Announces First Quarter 2021 Financial Results Showing Progress of Company Turnaround

FIOR News Release

June 2, 2021

Kelowna, British Columbia and Las Vegas, Nevada — Fiore Cannabis Ltd. (CSE:FIOR) (OTCQX:FIORF) (“Fiore” or the “Company”), a licensed multi-state cannabis cultivator, producer and retailer, today announced its first quarter 2021 financial results support the turnaround efforts made by the Company and its push forward with a U.S. focused growth strategy. Fiore’s Interim Financial Statements and corresponding Management’s Discussion and Analysis for the quarter ended March 31, 2021 are available on the Company’s SEDAR profile at www.sedar.com and the Company’s website at www.fiorecannabis.com.

"The first quarter of this year was a pivotal one for Fiore with a number of key achievements. We are able to focus our activity and efforts on our operations in Nevada and California while divesting non-performing operations in Canada and improving our balance sheet. The primary drivers for our solid financial results were sales coming online at our Apex Cultivation and Production Facility in Las Vegas, Nevada and retail sales performance exceeding expectations at our cannabis dispensary in Desert Hot Springs, California. We thank our shareholders, customers and employees for supporting the Company’s strategic focus and direction for the future," said Erik Anderson, President and CEO of Fiore Cannabis.

Fiore reported the following financial highlights for the quarter ended March 31, 2021:

- Revenues were \$1,088,000, an increase of 105% compared with \$529,000 in the first quarter of 2020. Increased sales from the Apex Facility and continued strong retail performance at Desert Hot Springs were the drivers.
- Gross profit was \$223,000, an increase of 142% compared with \$92,000 in the first quarter of 2020.
- General & Administrative expenses were \$907,000, a major improvement compared with \$2,973,000 in the first quarter of 2020. This was due primarily to operating efficiencies at the corporate level and the maximizing of workflows.
- Net loss from continuing operations was \$1,325,000, or \$0.01 per share, compared with \$28,432,000, or \$0.23 per share, in the first quarter of 2020.
- The Company’s deficit was \$114,391,000, an improvement of \$227,000 compared with \$114,618,000 for the fiscal year end of December 31, 2020.

- Cash increased to \$175,000 at March 31, 2021, compared with \$49,000 at March 31, 2020. Subsequent to the quarter, the Company completed a private placement with two tranches for proceeds of \$1,281,000.

"Our focus for the remainder of 2021 is to move the Company into a growth phase and expand our operations in Nevada and California. As an example, the partnership we signed during the first quarter with Allied Corp. is advancing successfully, and we'll be looking to more than double the cannabis grow space at the Apex Facility in the near term. Our planning, experience and ability to source strategic tranches of financing also continue to pay returns. I am very proud of our team and the effort we have put in to turn the company and point it in the direction of growth. We have already lined up a number of additional opportunities that will help us create a premium vertically integrated cannabis company focused on the Nevada and California markets. As a company, we have put ourselves in a strong position and expect to continue growing our operations and executing on our strategy this year," said Anderson.

About Fiore Cannabis

Fiore Cannabis Ltd. (CSE:FIOR) (OTCQX:FIORF) is a publicly traded company that has been investing in the development of recreational and medical cannabis products since 2014. The Company has expanded its operations to include cultivation, production and retail offerings in the key North American legal jurisdictions of Nevada and California. Fiore's portfolio of brands caters to diverse consumer and patient experiences, with brands and products that address recreational, medical, wellness as well as new consumer experience preferences. Current brands include Fiore Cannabis, Diamante Labs, PureCloud 9, Surfer and The Weekender. The Company operates retail cannabis outlets through its Green Leaf Wellness brand. For more information, please visit www.fiorecannabis.com.

For Further Information

Erik Anderson, President and CEO
1-877-438-5448 Ext. 713
eanderson@fiorecannabis.com

Cannabis Industry Involvement

The Company owns marijuana licenses in California and Nevada. Marijuana is legal in each state; however, marijuana remains illegal under United States federal law and the approach to enforcement of U.S. federal law against marijuana is subject to change. Shareholders and investors need to be aware that federal enforcement actions could adversely affect their investments and that the Company's ability to support continuing U.S.-based operations and its access private and public capital could be materially adversely affected.

Forward-Looking Information

This news release contains forward-looking statements or information that relate to our current expectations and views of future events, including in respect of future financial and operational performance, future business goals and plans, the resiliency of the Nevada and California markets, the likelihood of the growth of retail sales, the doubling of our cultivation footprint,

the expansion of our operations in Nevada and California, the success of the relationship with Allied Corp., and the prospect of future returns for investors. Statements which are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, outlook, expectations or intentions regarding the future including words or phrases such as "anticipate", "objective", "may", "will", "might", "should", "could", "can", "intend", "expect", "believe", "estimate", "predict", "potential", "plan", "is designed to", "project", "continue", or similar expressions suggest future outcomes or the negative thereof or similar variations. These forward-looking statements are based on the Company's current projections and expectations about future events and financial trends that management believes might affect its financial condition, results of operations, business strategy and financial needs, and on certain assumptions and analysis made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors management believes are appropriate.

Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein. Such factors include, among others: the risks and uncertainties identified in the Company's reports and filings with the applicable Canadian securities regulators, risks and uncertainties related to the economic impacts of COVID-19 and vaccination programs across the U.S., assumptions regarding future levels of tourism to Las Vegas, assumptions regarding consumption rates for cannabis in the U.S., assumptions regarding the success of future product launches and demand for such products, assumptions regarding restrictions on air and other travel, the uncertainties regarding the development of future products, risks related to the manufacture of cannabis products for consumer consumption, risks related to manufacturing process itself, regulatory and other impediments for the legal sale of cannabis in the U.S., risks related to certain joint ventures and partnerships and risks related to the regulatory processes regarding licensing in the States of Nevada and California and assumptions regarding the approval of additional cultivation space by regulatory agencies where required. Although the Company believes that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. Any forward-looking information and statements herein are made as of the date hereof, and except as required by applicable laws, the Company assumes no obligation and disclaims any intention to update or revise any forward-looking information and statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward-looking information and statements herein, whether as a result of new information, future events or results, or otherwise.