

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

1. Name and Address of Company

Canbud Distribution Corporation. (the “Company”)
120 Adelaide Street West, Suite 2500
Toronto, ON M5H 1T1

2. Date of Material Change

October 5, 2021

3. News Release

A press release disclosing the material change was released on October 6, 2021, through the facilities of Newsfile Corp.

4. Summary of Material Change

The Company announced that it had agreed to settle an aggregate of \$152,000.00 of indebtedness owed to certain arm’s length creditors of the Company (the “Creditors”) through the issuance of an aggregate of 3,040,000 common shares (“Common Shares”) of the Company at a price of \$0.05 per Common Share (the “Debt Settlement”).

5. Full Description of Material Change

Pursuant to the Debt Settlement, the Company agreed to settle \$152,000.00 of indebtedness through the issuance of 3,040,000 Common Shares of the Company to the Creditors at a price of \$0.05 per Common Share.

On December 7, 2020, Canbud announced that it had entered into a definitive agreement dated December 4, 2020 to acquire 100% of the issued and outstanding securities of 2688453 Ontario Ltd. in exchange for 7,600,000 common shares at a deemed price per share equal to 19.5 cents.

As a result, Canbud and 2688453 Ontario Ltd. have agreed to a mutual termination of the 'agreement' entered into on December 4, 2020, whereby the Company has agreed to issue 3,040,000 common shares to cancel the agreement (at a deemed price per share equal to \$0.05 or a total price of CA\$152,000). The shares to be issued as part of the termination agreement will remain in escrow and released in 3 different tranches during 2022.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

The report is not being filed on a confidential basis.

7. Omitted Information

No significant facts have been omitted from this Material Change Report.

8. Executive Officer

For further information, contact Robert Tjandra, Chief Operating Officer of the Company at (416) 847-7312.

9. Date of Report

This report is dated at Toronto, this 15th day of October, 2021.

Notice Regarding Forward-Looking Information

The information in this material change report includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward-looking statements. Forward-looking statements in this material change report include, but are not limited to the Corporation's business and the industry and markets in which it operates. These statements are based upon assumptions that are subject to significant risks and uncertainties, including assumptions about the operations, financial condition, and future performance of the Corporation. Although the Corporation considers these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect, and the forward-looking statements in this material change report are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Although the Corporation's management believes that the expectations reflected in forward-looking statements are reasonable, the Corporation can give no assurances that the expectations of any forward-looking statements will prove to be correct. Except as required by law, the Corporation disclaims any intention and assume no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.