

MATERIAL CHANGE REPORT FORM 51-102F3

1. **Reporting Issuer**

Canntab Therapeutics Limited (the “**Issuer**” or “**Canntab**”)
223 Riviera Drive
Markham, Ontario, L3R 5J6

2. **Date of Material Change**

February 28, 2020.

3. **News Release**

A news release with respect to the material change referred to in this report was disseminated on March 2, 2020 through Newsfile and filed on the system for electronic document analysis and retrieval (SEDAR) at www.sedar.com.

4. **Summary of Material Change**

Health Canada has granted Canntab a Cannabis Standard Processing & Sales for Medical Purposes Licence and Canntab closed the first tranche (the “**First Tranche**”) of its non-brokered private placement offering (the “**Private Placement**”) for total gross proceeds of \$3,080,000.

The Private Placement was previously announced on February 6, 2020. Pursuant to the closing of the First Tranche, Canntab issued 6,160,000 units of the Issuer (“**Units**”) at a price of \$0.50 per Unit for gross proceeds of \$3,080,000. Each Unit consists of one common share (a “**Common Share**”) and one full warrant (a “**Warrant**”) to acquire an additional Common Share at a price of \$0.75 per share until February 28th, 2022.

In connection with the Private Placement, the Issuer paid commissions to a syndicate of registrants that were comprised of cash finder's fees of \$113,260 (“**Cash Finder's Fees**”) and issued 226,520 finder's warrants (“**Finder's Warrants**”). The Finder's Warrants each entitle the holder thereof to purchase one Common Share at a price of \$0.50 for a period of 24 months.

Several directors, officers and other insiders as defined in Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”), participated in the Private Placement, either directly or indirectly, and First Republic Capital Corporation, an exempt market dealer of which Richard Goldstein, the CFO and a director of the Issuer, is also a significant shareholder and the President, received a portion of the Cash Finder's Fees and Finder's Warrants in connection with the Private Placement, therefore the Private Placement constitutes a “related party transaction” within the meaning of MI 61-101. In its consideration and approval of the Private Placement, the board of directors of the Issuer determined that the Private Placement is exempt from the formal valuation and minority approval requirements of MI 61-101 on the basis that the fair market value of the Private Placement, including the Cash Finder's Fees and Finder's Warrants paid to First Republic Capital Corporation, to related parties does not exceed 25% of the market capitalization of the Issuer, in accordance with Sections 5.5 and 5.7 of MI 61-101.

The Issuer did not file a material change report more than 21 days before the closing of the Private Placement as the details of the Private Placement, and the confirmation of insider participation in the

Private Placement, was not definitively known to the Issuer until the date of the closing of the Private Placement and the board of directors determined that it was in the best interests of the Issuer to close the Private Placement as soon as practicable.

Barry M. Polisuk Professional Corporation ("**BP Professional**"), a corporation controlled by Barry Polisuk of Toronto, Ontario, purchased 20,000 Units in the First Tranche. BP Professional is a "related party" for the purposes of MI 61-101. The effect of the participation of BP Professional in the Private Placement is described hereto in Schedule "B".

Richard Goldstein purchased 20,000 Units in the First Tranche. Richard Goldstein is a "related party" for the purposes of MI 61-101. The effect of the participation of Richard Goldstein in the Private Placement is described hereto in Schedule "B".

Vitor Fonseca purchased 20,000 Units in the First Tranche. Vitor Fonseca is a "related party" for the purposes of MI 61-101. The effect of the participation of Vitor Fonseca in the Private Placement is described hereto in Schedule "B".

All securities issued pursuant to the Private Placement are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation. Each of the aforementioned insiders abstained from the approval of the Private Placement as directors of the Issuer. The directors of the Issuer approved the Private Placement by written resolution. In accordance with the *Business Corporations Act* (Ontario), all of the directors were required to sign the authorizing resolution in order for the Private Placement to be valid as if passed at a meeting of the directors of the Issuer, however, the signatures of each of the aforementioned insiders do not constitute a vote by the insider as a director to approve the Private Placement. The Private Placement was unanimously approved by the directors of the Issuer entitled to vote thereon.

5. **Full Description of Material Change**

The material change is fully described in the news release attached hereto as Schedule "A".

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

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Executive Officer**

For additional information with respect to this material change, the following person may be contacted:

Canntab Therapeutics Limited
Jeffrey Renwick, CEO
Tel: +1 289.301.3812
Email: jeff@canntab.ca

9. **Date of Report**

This report is dated as of the 5th day of March 2020.

Schedule "A"
Please see attached.



Canntab Receives Health Canada Licence and Closes \$3.08M Offering

- **Receives its Cannabis Standard Processing & Sales for Medical Purposes Licence**
- **Closes first tranche of its non-brokered private placement for gross proceeds of \$3.08M**
- **Proceeds of the financing will be used to begin full scale manufacturing at its Markham facility, and to launch products across Canada and the United States**

TORONTO, March 2, 2020 /CNW/ - Canntab Therapeutics Limited ([CSE:PILL.CN](#))([OTCQB:CTABF](#)) ([FRA:TBF1.F](#)) (the "**Company**" or "**Canntab**"), the leading innovator in cannabinoid and terpene blends in hard pill form for therapeutic applications, is pleased to announce that on Friday, February 28th, 2020 it successfully received its Cannabis Standard Processing & Sales for Medical Purposes Licences from Health Canada, and that it has closed the first tranche (the "**First Tranche**") of its non-brokered private placement offering (the "**Private Placement**") for total gross proceeds of \$3,080,000.



"With the licensing and financing, we are now in a position to move into full scale manufacturing and distribution of our next generation of biopharmaceutical cannabinoid solutions. We plan to roll-out new brands and products for sale, starting this summer," explains Jeff Renwick, Chief Executive Officer at Canntab. "Canntab intends to be the first to bring timed-release cannabinoid hard pills to market in Canada," concludes Mr. Renwick.

Closing of First Tranche

The Private Placement was previously announced on February 6, 2020. Pursuant to the closing of the First Tranche, Canntab has issued 6,160,000 units of the Company ("**Units**") at a price of \$0.50 per Unit for gross proceeds of \$3,080,000. Each Unit consists of one common share (a "**Common Share**") and one full warrant (a "**Warrant**") to acquire an additional common share at a price of \$0.75 per share until February 28th, 2022. The Company anticipates closing an additional tranche of the Private Placement to raise total gross proceeds of up to \$4,000,000.

In connection with the Private Placement, the Company paid commissions to a syndicate of registrants that were comprised of cash finder's fees of \$113,260 ("**Cash Finder's Fees**") and issued 226,520 finder's warrants ("**Finder's Warrants**"). The Finder's Warrants each entitle the holder thereof to purchase one Common Share at a price of \$0.50 for a period of 24 months.

Several directors, officers and other insiders as defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), participated in the Private Placement, either directly or indirectly, and First Republic Capital Corporation, an exempt market dealer of which Richard Goldstein, the CFO and a director of the Company, is also a significant shareholder and the President, received a portion of the Cash Finder's Fees and Finder's Warrants in connection with the Private Placement, therefore the Private Placement constitutes a "related party transaction" within the meaning of MI 61-101. In its consideration and approval of the Private Placement, the board of directors of the Company determined that the Private Placement is exempt from the formal valuation and minority approval requirements of MI 61-101 on the basis that the fair market value of the Private Placement, including the Cash Finder's Fees and Finder's Warrants paid to First Republic Capital Corporation, to related parties does not exceed 25% of the market capitalization of the Company, in accordance with Sections 5.5 and 5.7 of MI 61-101. The Company did not file a material change report more than 21 days before the closing of the Private Placement as the details of the Private Placement, and the confirmation of insider participation in the Private Placement, was not definitively known to the Company until the date of the closing of the Private Placement and the board of directors determined that it was in the best interests of the Company to close the Private Placement as soon as practicable.

About Canntab Therapeutics

Canntab Therapeutics is a Canadian biopharmaceutical company focused on the manufacturing and distribution of a suite of hard pill cannabinoid formulations in multiple doses and timed-release combinations. Canntab's proprietary hard pill cannabinoid formulations provide doctors, patients and consumers with medical grade solutions which incorporate all the features one would expect from any prescription or over the counter medication sold in Canadian pharmacies. These will include the following formulations: once a day and extended release, both providing an accurate dose and improved shelf stability. The future of medical cannabinoid solutions.

Canntab holds a Cannabis Standard Processing & Sales for Medical Purposes Licence, a Cannabis Research Licence, and an Industrial Hemp Licence from Health Canada.

Additionally, Canntab through its wholly owned American subsidiary is in the process of establishing a CBD manufacturing and distribution business in Florida, USA.

Canntab trades on the Canadian Securities Exchange under the symbol PILL, on the OTCQB under the symbol CTABF, and on the Frankfurt Stock Exchange under the symbol TBF1.

Cautionary Statements

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

Certain information in this press release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "potential", "believe", "intend" or negatives of these terms and similar expressions. Forward-looking statements are based on certain assumptions, including receipt of Health Canada approval and other regulatory approvals necessary to enable the Company to commence full scale manufacturing and distribution, that another producer of cannabis products will not bring timed-release cannabinoid hard pills to market in Canada prior to the Company, and that the Company will close one or more additional tranches of the Private Placement, and general business, economic, competitive, political and social uncertainties will not prevent the Company from conducting its business. While Canntab considers these assumptions to be reasonable, based on information currently available, they are inherently subject to significant business, economic and competitive uncertainties and contingencies and they may prove to be incorrect. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements also necessarily involve known and unknown risks, including without limitation, risks associated with Health Canada not approving the Company's application for Notice of New Cannabis Products, that another cannabis producer will bring timed-release cannabinoid hard pills to market in Canada prior to the Company, that the Company will fail to secure additional funding under the Private Placement, general economic conditions, adverse industry events, marketing costs, loss of markets, future legislative and regulatory developments, the inability to access sufficient capital on favourable terms, the medical and recreational cannabis industry in Canada in general, income tax and regulatory matters, the ability of Canntab to execute its business strategies, competition, crop failure, currency and interest rate fluctuations and other risks. Readers are cautioned that the foregoing is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ from those anticipated. Forward-looking statements are not guarantees of future performance. Except as required by law, Canntab disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

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<http://www.prnewswire.com/news-releases/canntab-receives-health-canada-licence-and-closes-3-08m-offering-301014409.html>

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For further information: Canntab Therapeutics Limited, Jeffrey Renwick, Chief Executive Officer, +1 833-301-3812, jeff@canntab.ca

CO: Canntab Therapeutics Limited

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SCHEDULE "B"
OWNERSHIP OF SECURITIES OF THE ISSUER
PRE-PRIVATE PLACEMENT AND POST-PRIVATE PLACEMENT

| Related Party | Relationship | Common Shares Held Prior to Private Placement | Percentage Held Prior to Private Placement (Basic Basis) | Percentage Held Prior to Offering (Partially-Diluted Basis) | Shares issued | Warrants Issued | Common Shares Held After Private Placement | Percentage Held After Private Placement (Basic Basis) | Percentage Held After Private Placement (Partially-Diluted Basis) |
|-----------------------------------|--------------------------------------|---|--|---|---------------|-----------------|--|---|---|
| Barry Polisuk and BP Professional | Director and Secretary | 320,000 | 1.26% | 2.85% | 20,000 | 20,000 | 340,000 | 1.08% | 2.42% |
| Richard Goldstein | Director and Chief Financial Officer | 3,838,000 | 15.17% | 17.54% | 20,000 | 20,000 | 3,858,000 | 12.26% | 14.23% |
| Vitor Fonseca | Director | 0 | 0.00% | 1.58% | 20,000 | 20,000 | 20,000 | 0.06% | 1.40% |