

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Seashore Organic Medicine Inc. ("the **Issuer**")
Suite 101, 5682 Wharf Street,
Sechelt, BC V0N 3A0

Item 2 Date of Material Change

October 9, 2014

Item 3 News Release

A news release was issued and disseminated on October 14, 2014 and the news release was filed on SEDAR.

Item 4 Summary of Material Change(s)

The Issuer has entered into a definitive share purchase agreement (the "**Agreement**") with Cannevert Therapeutics Ltd. ("**Cannevert**") dated October 9, 2014, further to a Letter of Intent entered into between the parties on September 5, 2014.

Cannevert is a research company with a focus on identifying cannabis cultivars for treatment of certain medical disorders. Under the Agreement, the Issuer will subscribe for shares of Cannevert (the "**Shares**") such that the Issuer will eventually acquire a total of 971,428 shares of Cannevert (the "**Subscription**"), which will constitute a 70% equity and voting interest in Cannevert. The Subscription shall occur in 6 separate tranches over a 30 month period, for a total purchase price of \$1,500,000, \$25,000 of which was paid as a deposit upon signing the Letter of Intent (the "**Deposit**"). The subscriptions amounts shall be paid as follows:

- a) \$250,000 within 10 days of the Issuer's receipt of Proceed to Build Notice from Health Canada, as defined below, for the purchase of 104,082 Shares (the "**First Placement**"). The Deposit shall be applied to this amount;
- b) \$250,000 within 6 months from the date of the First Placement for the purchase of 74,344 Shares;
- c) \$250,000 within 12 months from the date of the First Placement for the purchase of 99,125 Shares;
- d) \$250,000 within 18 months from the date of the First Placement for the purchase of 138,775 Shares;
- e) \$250,000 within 24 months from the date of the First Placement for the purchase of 208,163 Shares; and
- f) \$250,000 within 30 months from the date of the First Placement for the purchase of 346,939 Shares.

The Issuer's obligation to subscribe for the First Placement is conditional upon the Issuer's receipt of a notice (the "**Proceed to Build Notice**") from Health Canada granting the Issuer conditional approval of its application for a license to produce and distribute medical marijuana under the *Marihuana for Medical Purposes Regulations* on or before January 31, 2015.

Licensing Agreement

Upon closing the First Placement, Cannevert and the Issuer will enter into a licensing agreement granting the Issuer an exclusive license to use and commercially exploit the intellectual property arising from research conducted by Cannevert utilizing the proceeds from the Subscription. Also, concurrent with closing the First Placement and continuing for so long as the Issuer remains a shareholder of Cannevert, the Issuer will be entitled to have one nominee serve on the board of directors of Cannevert. Upon completion of all six tranches of the Subscription, the Issuer will be entitled to appoint a majority of the directors of Cannevert.

Buy-out Provision

Under the Agreement, the Issuer and Cannevert will cause to have prepared an independent business valuation of Cannevert to determine the total value of Cannevert as at the third anniversary of the date of the Proceed to Build Notice. On receipt of such valuation report and for a period of 60 days thereafter, each shareholder of Cannevert other than the Issuer has the right to give notice to the Issuer that it requires the Issuer to purchase the Shares held by that shareholder. At present, there are four shareholders of Cannevert, holding a total of 208,164 Shares, who are entitled to require the Issuer to purchase their Shares under the buy-out provision.

Item 5 *Full Description of Material Change*

See the news release dated October 14, 2014, attached as Schedule "A" hereto for further details on the Agreement.

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

Not applicable.

Item 7 *Omitted Information*

None.

Item 8 *Executive Officer*

Leonard Werden, President & CEO
Telephone: +1.604.885.5500
Email: info@seashoremecine.com

Item 9 *Date of Report*

October 22, 2014

SCHEDULE "A"

SEASHORE ORGANIC MEDICINE INC. SIGNS DEFINITIVE SHARE PURCHASE AGREEMENT WITH CANNEVERT THERAPEUTICS LTD.

October 14th, 2014, Vancouver, B.C. – Seashore Organic Medicine Inc. (the "Company") (CSE: SOM) and Cannevert Therapeutics Ltd. ("CTL") are pleased to announce that they have entered into a definitive share purchase agreement dated October 9th, 2014 (the "Agreement") with respect to the previously announced Letter of Intent dated September 5, 2014.

Under the Agreement, the Company may subscribe for up to a total of 971,428 common shares of CTL (the "CTL Shares"), to close in six separate tranches over the course of 30 months (the "Private Placement"), after which the Company will hold up to 70% of the total issued and outstanding CTL Shares. Completion of the first tranche is subject to the Company first receiving a "Proceed to Build" notice under the federal *Marihuana for Medical Purposes Regulations* ("MMPR"). The proceeds of the Private Placement will be used for chemical and pharmacological research which, in conjunction with the Company's creation of different cannabis cultivars, will result in specific disease-targeted cultivars. The research will meet all of the appropriate standards for evaluating the therapeutic potential of specific cultivars which are unique to the Company. Such a research approach of producing specific cultivars for specific diseases will rationalize the best therapeutic use of cannabis treatment for particular diseases

Upon the closing of the first tranche of the Private Placement, CTL and the Company will enter into a licensing agreement (the "Licensing Agreement") granting the Company an exclusive license to use the intellectual property of CTL obtained through the research and proceeds of the Private Placement.

In addition, concurrent with the closing of the first tranche of the Private Placement, the Company will have the right to appoint one director to the board of CTL (the "CTL Board"). Upon completion of all six tranches of the Private Placement, the Company will be entitled to appoint the majority of the CTL Board.

President and chief executive officer Len Werden stated: "Our team has been growing and supplying medical marijuana to patients for a combined 20 years under the Marihuana Medical Access Regulations (MMAR) program in Canada and over the years we have received extraordinary feedback about different strains and their respective ability to treat and, in some cases, cure certain ailments. Our cultivation practices follow the strict Canadian Organic Regulations, using only natural fertilizers and wherein end product has a rich flavor and smell which is indicative of the enhanced strength of other natural healing products and foods. We know that organically-grown fruits and vegetables can have over-all higher nutritional content and in some cases enhanced medicinal content. For example, a recent study conducted by a member of our research team found that certified-organic hothouse tomatoes had 4.5 times the lycopene-content (an anti-oxidant important in cell repair) over conventionally-grown hothouse tomatoes. Thus we are using our certified-organic cultivation methods as the starting off point for drug discovery and eventually manufacturing of highly concentrated medicines. This partnership with CTL has created the opportunity to characterize, produce and optimize the massive potential of medical marijuana using the state of the art molecular and biochemical tools and trades.

These guys are as equally excited about the Science as we are about the Cultivation!"

About CTL

CTL, located on the University of British Columbia campus in Vancouver, British Columbia, was created by three emeritus professors and another scientist. Its aim is to identify which marijuana cultivars are most appropriate for the treatment of those disorders which have been provisionally identified as benefiting from treatment with marijuana and to aid SOM in the development of cultivars with the best therapeutic indices. The four co-founders, Dr. Michael J.A. Walker, Dr. Ernie Puil, Dr. Thomas Stokes and Dr. Bernard A. MacLeod have significant experience in the science of drug discovery in the areas of brain, heart and lung and in working with natural products, and thus have experience in the analysis of the chemical constituents of plants while being able to assess the potential therapeutic potential of extracts and related materials. They have also had experience in the biotech area of drug discovery. Dr. Walker is a founder of both public as well private biotech companies, including Cardiome Pharma Corp. and Verona Pharma PLC, Other private biotech companies in which they have cooperated together include TherExcell Pharma. Dr. MacLeod practised anesthesiology for many years at Vancouver General and University Hospitals, the BC Cancer Agency as well as conducting research in the Department of Pharmacology, specializing in clinical trials and pain. Dr. Puil is a neuropharmacologist with experience and expertise in drugs which have actions on the brain. He is the CEO of TherExcell Pharma which has developed a novel analgesic. Dr. Walker has over 40 years of experience as a pharmacologist and in his search for new drugs has created public and private biotech companies over the last 25 years with success in early clinical trials with four different drugs in the area of pain, the heart and lungs. Dr. Stokes is an experienced chemist with extensive corporate experience, primarily in implementing biological methodologies for enhancing yields in traditional industries.

About the Company

The Company was formed to become a producer of medical marijuana under the MMPR. The Company has applied to become a licensed producer under the MMPR program. The Company is based out of Sechelt, on the Sunshine Coast of British Columbia. The Company its board of advisors have a diverse range of experience and multi-industry expertise.

On behalf of the Board of Directors
SEASHORE ORGANIC MEDICINE INC.

Further information about the Company is available on our website at www.seashoremachine.com or under our profile on SEDAR at www.sedar.com and on the CSE website at www.thecse.com.

Investor and Public Relations Contact

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The CSE has not reviewed, nor approved or disapproved the content of this press release.

Forward-Looking Information

This press release may include forward-looking information within the meaning of Canadian securities legislation concerning the business of the Company. Forward-looking information is based on certain key expectations and assumptions made by the management of the Company, including future plans for development of technologies by

the Company. Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Forward-looking statements contained in this press release are made as of the date of this press release. The Company disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.