

**FORM 51-102F3**

**Material Change Report**

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

Chemistree Technology Inc.  
P.O. Box 10322, Pacific Centre  
Suite 810 – 609 Granville Street  
Vancouver, BC V7Y 1G5

(the "Company")

**2. Date of Material Change:**

July 11, 2018

**3. News Release:**

A news release was disseminated on July 12, 2018 and was subsequently filed on SEDAR.

**4. Summary of Material Change:**

Chemistree Technology Inc. (Canadian Securities Exchange: CHM) (US OTCQB: CHMJF) (the "Company" or "Chemistree") is pleased to announce that effective July 11, 2018, it has closed the final tranche of the non-brokered private placement as announced May 11, and as amended June 22, and July 10, 2018, for gross proceeds of \$1,949,365. Gross proceeds from the two closings aggregate \$4,509,184, which has been added to general working capital.

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

Chemistree Technology Inc. (Canadian Securities Exchange: CHM) (US OTCQB: CHMJF) (the "Company" or "Chemistree") is pleased to announce that effective July 11, 2018, it has closed the final tranche of the non-brokered private placement as announced May 11, and as amended June 22, and July 10, 2018, for gross proceeds of \$1,949,365. Gross proceeds from the two closings aggregate \$4,509,184, which has been added to general working capital.

The July 11, 2018, final tranche was comprised of 5,569,613 units, issued at \$0.35 per unit. Each unit consists of one common share and one common share purchase warrant; each warrant will entitle the holder to acquire one additional common share for \$0.50 cents for a period of 24 months after closing of the private placement. The warrants are subject to an acceleration provision whereby if the closing market price of the common shares of the Company on the Canadian Securities Exchange (the "CSE") is greater than \$0.60 per common share for a period of 10 consecutive trading days, then the Company may deliver a notice to the holders of warrants notifying the holders that the warrants must be exercised within 30 calendar days from the date of the acceleration notice, otherwise the warrants will expire at 4:00 p.m. PT on the 30th calendar day after the date of the acceleration notice.

The Company also issued 257,748 Finder's Warrants in connection with the final tranche, and the warrants will have the same terms as the common share purchase warrants included in the placement units. Securities issued under the placement are subject to a four-month hold period, which will expire four months from the date of closing. Immediately following this private placement issuance, the Company has 34,222,589 common shares issued and outstanding.

The units, common shares and Warrants have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an available exemption from the registration requirement of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the units, common shares or Warrants, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

### **Change of Business Filing**

On June 27, 2018, Chemistree received conditional approval from the CSE for its change of business from a Technology Issuer to an Investment Issuer, which was deemed a fundamental change under CSE Policy 8. With the completion of the private placement financing, the Company has met all the conditions set-out by the CSE. In due course following submission and acceptance of the final documentation required by the CSE, the Company expects that the CSE will reinstate trading in the Company's common shares. Following final approval by the CSE, the Company expects to issue a further news release announcing final approval by the CSE and the reinstatement of trading.

### **About Chemistree Technology Inc.**

Chemistree Technology Inc. is an investment company dedicated to the U.S. cannabis sector, providing turn key solutions for the U.S. regulated cannabis industry. The Company's corporate strategy is to acquire and develop vertically integrated U.S. cannabis assets, leveraging management's decades of expertise in the cannabis industry and corporate finance to own and operate licensed cultivation, processing, distribution and retail facilities throughout the U.S. The Company currently owns assets in Washington State used to operate the Sugarleaf brand and has a robust pipeline of assets to grow its base of business across the U.S. For more information, visit [www.chemistree.ca](http://www.chemistree.ca).

### **Advisory**

The Company wishes to inform shareholders that there are significant legal restrictions and regulations that govern the cannabis industry in both Canada and the United States.

### **Cannabis-related Practices or Activities are Illegal Under U.S. Federal Laws**

The concepts of "medical cannabis" and "recreational cannabis" do not exist under U.S. federal law. The Federal Controlled Substances Act classifies "marihuana" as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. As such, cannabis related practices or activities, including

without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. Enforcement of U.S. federal laws will be a significant risk to the business of the Company following the completion of the acquisitions, and any such proceedings brought against the Company may adversely affect the Company's operations and financial performance.

Further information regarding the legal status of cannabis related activities and associated risk factors, including, but not limited to, risk of enforcement actions, risks that third party service providers, such as banking or financial institutions cease providing services to the Company, and the risk that Company may not be able to distribute profits, if any, from U.S. operations up to the Company, will be included in the Form 2A listing statement to be filed with the CSE.

6. **Reliance on Subsection 7.1(2) of the National Instrument 51-102 *Continuous Disclosure Obligations*:**

Not applicable.

7. **Omitted Information:**

Not applicable.

8. **Executive Officer Knowledgeable of Material Change:**

Douglas Ford, CFO  
Telephone: (604) 678-8941

9. **Date of Report:**

July 12, 2018

**CHEMISTREE TECHNOLOGY INC.**

By: “Douglas Ford”  
Chief Financial Officer  
 (Official Capacity)  
Douglas Ford  
 (Please print here name of individual whose  
 signature appears above.)