

**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 25, 2018

**3. News Release:**

A news release was disseminated on July 25, 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 the Company has entered into an agreement to purchase 9.55 acres of bare land located within the Desert Hot Springs, California "Light Industrial Lands Designated for Marijuana Cultivation" area.

**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 the Company has entered into an agreement to purchase 9.55 acres of bare land located within the Desert Hot Springs, California "Light Industrial Lands Designated for Marijuana Cultivation" area.

Chemistree, through its indirect, wholly-owned California subsidiary CHM Desert LLC, entered into a purchase contract with an arm's length vendor for the purchase of 9.55 acres of fee simple, vacant land in the City of Desert Hot Springs, Riverside County, California (the "DHS property"). Consideration for the purchase is \$1,233,800 USD.

The DHS property can support development plans and a Conditional Use Permit application for a total of three (3) 68,000 sq. ft cultivation and processing buildings on the site totaling approximately 205,000 sq. ft., together with the required ancillary space for parking, firefighting equipment and site security, based on the regulations of the City of Desert Hot Springs.

Chemistree president Karl Kottmeier added "This is a great purchase for Chemistree. I am pleased to report that our highly experienced team in California has begun working on this exciting project. Not only did we arrive at what we believe is a very attractive price, we are

buying a site that already has much of the Conditional Use Permit application process well underway. We expect to have the application submitted within the next few weeks and anticipate approval to take 2-3 months thereafter.”

**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, are included in the Form 2A listing statement 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 25, 2018

**CHEMISTREE TECHNOLOGY INC.**

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