

**BC FORM 51-102F3**

**Securities Act**

**Material Change Report Under Section 7.1 of NI 51-102**

**ITEM 1 Name and Address of Company**

DOJA Cannabis Company Limited (the “Company”)  
6 – 2322 Dominion Road  
Kelowna, BC V1Z 2W8

**ITEM 2 Date of Material Change**

October 3, 2017

**ITEM 3 News Release**

News release announcing the material change was disseminated on October 3, 2017, through CNW Group and through SEDAR. A copy of the news release is attached to this report as Schedule “A”.

**ITEM 4 Summary of Material Changes**

The Corporation announced that its arm’s length offer to acquire (the “Acquisition”) a 22,580 sq.ft. building in Kelowna, British Columbia out of receivership was approved by the courts. It is anticipated that the closing of the Acquisition will occur on October 27, 2017. Upon completion of the build-out of the new facility, DOJA’s corporate cannabis production capacity is expected to surpass 5,000 kg per year.

**ITEM 5 Full Description of Material Change**

See news release attached as Schedule “A”. The news release was previously filed under the Company’s SEDAR profile located at [www.sedar.com](http://www.sedar.com).

**ITEM 6 Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102**

This material change report is not being filed on a confidential basis.

**ITEM 7 Omitted Information**

No information has been omitted on the basis that it is confidential information.

**ITEM 8 Executive Officer**

The name and telephone number of the director of the Company who is knowledgeable about the material change and the material change report is:

Jeffrey Barber, Chief Financial Officer, Tel: (403) 604-3401

**ITEM 9 Date of Report**

October 3, 2017.

***Forward looking information***

Please refer to the disclaimer regarding forward-looking information in the attached Schedule "A".

**SCHEDULE "A"**  
**NEWS RELEASE**

**(see attached)**

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DISSEMINATION IN THE UNITED STATES.**

**DOJA CANNABIS COMPANY TO EXPAND PRODUCTION CAPACITY TO OVER 5,000 KILOGRAMS PER YEAR**

**Kelowna, BC, October 3, 2017 – DOJA Cannabis Company Limited (“DOJA” or the “Company”)** (CSE: DOJA) is pleased to announce that its arm’s length offer to acquire (the “**Acquisition**”) a 22,580 sq.ft. building in Kelowna, British Columbia out of receivership has been approved by the courts. It is anticipated that the closing of the Acquisition will occur on October 27, 2017. Upon completion of the build-out of DOJA’s new facility (the “**FUTURE LAB**”), DOJA’s corporate cannabis production capacity is expected to surpass 5,000 kg per year.

Trent Kitsch, CEO of DOJA commented that, *“the Acquisition is a game changer for DOJA, it allows us to expand our production capacity by almost 8 times, diversify our strain production, integrate a world class extraction lab and leverage the economies of scale that come from a larger growing-space. Our strategy has always been to reach 5,000 kg of cannabis production per year by the end of 2018, with the addition of the FUTURE LAB we project we will reach our goal in less time and for less capital investment than previously budgeted. The FUTURE LAB has 325 feet of highway frontage which will be utilized to promote DOJA’s cannabis lifestyle brand to the 1.9 million plus visitors to the Okanagan each year and the 40,000 commuters that drive past the facility each day.”*

This is a transformative transaction for DOJA for the following reasons:

- **Potential to Expand Production by 7.6x** – With the FUTURE LAB fully built-out, DOJA’s cannabis production capacity is expected to increase by over 760% to more than 5,000 kg of dried cannabis per year, excluding cannabis oil production. By way of comparison, Canada’s largest publicly traded cannabis company, sold 5,985 kg of cannabis over the 12-month period ending June 30, 2017;
- **Added Scale Increases Competitiveness** – Expanding DOJA’s cultivation capacity and scale was necessary to remain competitive on a national level;
- **Secure Source of Premium Cannabis** – The wholesale cannabis market is extremely tight with limited strain selection. The Acquisition helps to ensure that DOJA will have a near term supply source for dried cannabis flower grown, trimmed and cured in a premium fashion at a price per gram that is within DOJA’s control;
- **Location, Location, Location** – The FUTURE LAB is strategically located minutes from Kelowna’s international airport along the only highway into the city from the north – ideal location for creating brand awareness and reducing transportation costs and delivery times;
- **Leading Edge Design** – The FUTURE LAB is expected to implement the latest and most advanced growing technologies to enhance the quality and yield of the flower while minimizing the operating costs and environmental footprint;
- **Reach Production Target Ahead of Schedule** – With the legalization of recreational cannabis expected to occur in mid-2018, time is of the essence. The first phase of the FUTURE LAB is planned to be ready for first cultivation prior to July 1, 2018;
- **Concentrates are the Future** – Cannabis concentrates and edibles are the largest and fastest growing segments of the cannabis market and DOJA expects they will overtake cannabis whole flower sales. The FUTURE LAB will house a state-of-the-art extraction lab that will drive concentrates innovation for DOJA;

- **Mortgage Financing Available** – To preserve DOJA’s strong working capital position, it is anticipated that up to 75% of the \$2.5 million Acquisition purchase price will be financed through debt financing secured by a mortgage over the FUTURE LAB in favour of the lender; and
- **Phased Build-out Approach** – The build-out of the DOJA FUTURE LAB is expected to be completed in two phases, in a financially responsible manner and within the Company’s capital resources and future cashflow. DOJA has no intention to raise additional capital for the foreseeable future.

## **DOJA CANNABIS PRODUCTION UPDATE**

DOJA plans to harvest its first batches of cannabis on October 16, 2017. After the flowers have been hand trimmed, hang dried, cured, and tested, DOJA plans to request a Pre-Sales Inspection with Health Canada, the last step prior to receiving a Sales License under the Access to Cannabis for Medical Purposes Regulations (“ACMPR”).

## **ABOUT DOJA**

DOJA™ is a premium cannabis lifestyle brand™ featuring the highest quality handcrafted strains in Canada. DOJA’s wholly owned subsidiary is a licensed producer of cannabis under the ACMPR. DOJA’s state-of-the-art ACMPR licensed production facility is located in the heart of British Columbia’s picturesque Okanagan Valley. DOJA was founded by the proven entrepreneurial team that started SAXX Underwear®.

## **ON BEHALF OF THE BOARD OF DIRECTORS**

*“Trent Kitsch”*

Trent Kitsch

Chief Executive Officer and Chairman of the Board

## **CONTACT INFORMATION**

For further information, please contact Jeff Barber, Chief Financial Officer by email at [investors@doja.life](mailto:investors@doja.life) or by phone at 1-(877) 763-DOJA extension 101.

The DOJA team also encourages readers to visit the website at [www.doja.life](http://www.doja.life) to learn more about DOJA and to sign up for DOJA news updates.

You can also follow us @doja.lifestyle on Instagram.

## **Forward-Looking Information**

This news release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company’s current expectations. When used in this news release, the words “estimate”, “project”, “belief”, “anticipate”, “intend”, “expect”, “plan”, “predict”, “may” or “should” and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this news release includes information relating to the DOJA’s expectations to harvest cannabis, our plans to seek approvals from Health Canada, our intention to acquire the FUTURE LAB and matters pertaining to the build-out of that facility, including with respect to the lighting and cultivation set-up at FUTURE LAB, the planned extraction lab and our two-staged approach to the build-out, our expectations concerning the amount cannabis production capacity that DOJA will have available to it upon completion of the build-out of the FUTURE LAB, our expectations regarding the timing for the first cultivation at the FUTURE LAB; our intention to obtain mortgage financing in connection with the acquisition of the FUTURE LAB; and our expectations regarding our capital needs. Such statements and information reflect the current views and expectations of the Company.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks:

- there is no assurance that DOJA will obtain the requisite approvals from Health Canada;
- new laws or regulations could adversely impact DOJA's business plans, including with respect to the acquisition and build-out of the FUTURE LAB, the opening and operation of the DCC and our results of operations;
- the build-out of the FUTURE LAB may not proceed on schedule or as planned; and
- there is no assurance that DOJA will obtain the mortgage financing for the acquisition of FUTURE LAB, which could result in DOJA having to find other sources of funding or use cash on hand to acquire the FUTURE LAB.

DOJA cautions that the foregoing list of material factors is not exhaustive. When relying on the DOJA's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. DOJA has assumed that the material factors referred to in the previous paragraphs will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

**THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS NEWS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS NEWS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.**

*The Canadian Securities Exchange has not approved nor disapproved the contents of this news release.*