

BC FORM 51-102F3

Securities Act

Material Change Report Under Section 7.1 of NI 51-102

ITEM 1 Name and Address of Company

Hiku Brands Company Ltd. ("**Hiku**" or the "**Company**")
6 – 2322 Dominion Road
Kelowna, BC V1Z 2W8

ITEM 2 Date of Material Change

January 30, 2018 and January 31, 2018

ITEM 3 News Release

A news release announcing the material change was disseminated on January 30, 2018 through CNW Group and through SEDAR.

ITEM 4 Summary of Material Changes

The Company closed a transaction with TS Brandco Holdings Inc. ("**Tokyo Smoke**") pursuant to which the Company acquired (the "**Merger**") all of the issued and outstanding securities in the capital of Tokyo Smoke by way of three-cornered amalgamation and changed its name to "Hiku Brands Company Ltd.". The Company also changed its ticker symbol on the Canadian Securities Exchange to "HIKU".

In connection with the completion of the Merger, Alan Gertner, Lorne Gertner and Charles Broderick joined the Company's board of directors and Jeff Barber, Stewart Thornhill and Patrick Brauckmann resigned from the board of directors.

The Company entered into a supply agreement with Aphria Inc. dated January 31, 2018 (the "**Supply Agreement**"). As partial consideration for entering the Supply Agreement and fulfilling its obligations thereunder, Hiku issued 799,361 Units (as defined below) to Aphria Inc.

The Company's previously issued 8,992,807 subscription receipts (the "**Private Placement**") also automatically converted into units of the Company (the "**Units**"). Each Unit being comprised of one common share in the capital of the Company (a "**Hiku Share**") and one common share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder to acquire one additional Hiku Share until January 30, 2020 at an exercise price of \$2.10 per share, subject to acceleration in certain circumstances. Concurrently with the conversion of the Units, an aggregate of approximately \$12.5 million,

representing the gross proceeds from the Private Placement, was released from escrow to the Company.

ITEM 5 Full Description of Material Change

See Item 4 above.

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

February 1, 2018.