

## FORM 51-102F3

### MATERIAL CHANGE REPORT

**Item 1: Name and Address of Reporting Issuer**

PUF Ventures Inc. (“**PUF**” or the “**Company**”)  
804-750 West Pender Street  
Vancouver, BC V6C 2T7

**Item 2: Date of Material Change**

September 7, 2017.

**Item 3: News Release**

Two news releases were issued and disseminated on September 7, 2017 and filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

**Item 4: Summary of Material Changes**

The Company announced that it intends to spin out its WeedBeacon proprietary technology, current app developments, databases, graphics, brochures and other marketing materials and liabilities (the “**Assets**”) into its wholly-owned subsidiary, Vapetronix Holdings Inc. (“**Spinco**”).

The Company also announced that it wishes to clarify that, following the completion of the plan of arrangement, the Company’s wholly-owned subsidiary, Spinco intends to apply for listing on the Canadian Securities Exchange (the “**Exchange**”), and must meet the listing requirements of the Exchange

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

The Company announced that it intends to spin out its WeedBeacon Assets into its wholly-owned subsidiary, Spinco by way of the Arrangement pursuant to Division 5 of Part 9 of the *Business Corporations Act* (British Columbia).

The purpose of the Arrangement is to allow the Company to divest itself of the Assets to Spinco, enabling PUF to focus on the grow side of medical cannabis with a particular emphasis to growing cannabis for its joint venture partnership with Canopy Growth Corp. (TSX: WEED), under CraftGrow.

The Arrangement will be subject to the approval of the Supreme Court of British Columbia, as well as approval by the PUF shareholders at an annual general and special meeting to be held on Friday, November 24, 2017 (the “**Meeting**”). Pursuant to the Arrangement, PUF will distribute 100% of the common shares of Spinco (the “**Spinco Shares**”) it receives to the PUF shareholders on a pro rata basis. The PUF shareholders will be entitled to receive one Spinco Share in exchange for every seven (7) common shares of PUF held as at October 4, 2017 (the “**Record Date**”). There will be no change in shareholders’ holdings in PUF as a result of the Arrangement. No outstanding warrants or options of PUF will be transferred over to Spinco.

Following completion of the Arrangement, (i) Spinco will hold the Assets transferred to it by PUF, (ii) Spinco will become a reporting issuer in the Provinces of British Columbia, Alberta and Ontario, and intends to list for trading on the Exchange, (iii) each PUF shareholder will continue to be a PUF shareholder, (iv) all the PUF shareholders will have

become shareholders of Spinco, and (v) PUF will retain its working capital for its Assets, and remain listed on the Exchange and will continue to trade under the trading symbol, PUF, as a consumer products – biotechnology/pharmaceuticals company.

Details of the proposed Arrangement will be provided in a Management Information Circular that will be mailed to all the PUF shareholders as at the Record Date. At the Meeting, the PUF shareholders will be asked to vote on a special resolution approving the Arrangement. The PUF shareholders of record as at the Record Date of October 4, 2017 will be eligible to vote on the Arrangement.

The effective date of the Arrangement is expected to be in December 2017. A further press release will be issued by the Company with additional details regarding the Arrangement and when the exact effective date is known.

The Company also announced that it wishes to clarify that, following the completion of the plan of arrangement, the Company's wholly-owned subsidiary, Spinco intends to apply for listing on the Exchange, and must meet the listing requirements of the Exchange

**Item 6: Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

**Item 7: Omitted Information**

None.

**Item 8: Executive Officer**

For further information, please contact:

Tim McNulty

T: 1 (800) 783.6056 Ext. 3

E: [ir@puf.ca](mailto:ir@puf.ca)

**Item 9: Date of Report**

September 11, 2017.