

**FORM 51-102F3**  
**Securities Act**

**MATERIAL CHANGE REPORT UNDER THE ACT**

1. Name and Address of Company:

CanadaBis Capital Inc.  
4303 – 9<sup>th</sup> Street SE.  
Calgary, Alberta, T2G 3C8

2. Date of Material Change: October 17, 2018

3. News Release: Issued on October 17, 2018 through FSC Wire

4. Summary of Material Change:

**CANADABIS CAPITAL INC. "TSXV:CANB.P"** ("**CanadaBis**" or the "**Company**"), an Alberta capital pool corporation listed on the TSX Venture Exchange, and 1926360 Alberta Ltd. doing business as Stigma Pharmaceuticals ("**Stigma**"), a life sciences products company specializing in the growth and marketing of medical cannabis and cannabis products with a facility located in Red Deer, Alberta, are pleased to announce (further to the press release dated August 1, 2018), that the parties have entered into an amalgamation agreement (the "**Amalgamation Agreement**") dated October 1, 2018 pursuant to which a subsidiary of CanadaBis will amalgamate (the "**Amalgamation**") with Stigma. The Amalgamation is considered an "arm's length" transaction as defined in the policies of the TSX Venture Exchange (the "**Exchange**").

5. Full Description of Material Change:

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Pursuant to the Amalgamation Agreement, the parties thereto will effect a "three-cornered" amalgamation whereby 2146541 Alberta Ltd. (a wholly-owned subsidiary of CanadaBis) and Stigma will amalgamate with holders of Stigma each receiving one common share of CanadaBis ("**CanadaBis Share**"), for every common share in Stigma held (the "**Transaction**"). The Transaction is expected to constitute a Qualifying Transaction of CanadaBis pursuant to TSXV Policy 2.4 Capital Pool Companies, subject to Exchange approval, and upon completion thereof CanadaBis will be a Tier 2 Life Sciences Issuer.

As disclosed in the Company's August 1, 2018 release, upon completion of the Transaction, CanadaBis will be engaged in the growth and marketing of medical cannabis and cannabis products through its grow facility located in Red Deer, Alberta.

Immediately after the completion of the Amalgamation, on a non-diluted basis, the former holders of Stigma shares will own approximately 90,060,000 CanadaBis Common Shares, representing 93.27% of the shares of the Resulting Issuer, including shares issued in connection with the Escrow Transfer (as defined below). The existing holders of CanadaBis will own 6,500,000 CanadaBis Common Shares (6.73%) of the Resulting Issuer (net of the shares to be transferred pursuant of the Escrow Transfer). A deemed value of \$.27 per share has been placed on the CanadaBis Common Shares issued in connection with the Amalgamation, resulting in total consideration paid to the holders of Stigma Shares of approximately \$24.32 million. The parties anticipate closing the Amalgamation prior to the end of November 2018, and in any event prior to December 31, 2018.

As a condition of the Transaction, Stigma must complete a financing, from arm's length investors, in a minimum amount of \$4 million in additional funds by the issuance of Stigma common shares (the "**Financing**") at an effective price of \$0.50 per share. The proceeds of the Financing will be used by the Resulting Issuer for improvements to the Facility, the purchase of equipment, and general and administrative expenses.

In addition, and as disclosed on August 1, 2018, effective on or prior to the close of the Transaction, an aggregate of 1,500,000 common shares of CanadaBis shall be transferred from the current directors of CanadaBis to Stigma (or its assignees) at a purchase price of \$0.05 per common share (the "**Escrow Transfer**"). The Escrow Transfer is subject to Exchange approval. As well, all of CanadaBis' existing 800,000 stock options to acquire common shares of CanadaBis together with 500,000 outstanding broker warrants will remain in effect following completion of the Qualifying Transaction, subject to early termination in accordance with their terms.

## 5.2 Disclosure for Restructuring Transactions

N/A

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102: N/A
7. Omitted Information: N/A
8. Executive Officer: Barb O'Neill, Corporate Secretary  
Phone: (587) 356-5625

DATED at Calgary, Alberta, this 18th day of October, 2018.

"Barbara O'Neill"

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Barbara O'Neill, Secretary

# CANADABIS CAPITAL INC.

## NEWS RELEASE

### CANADABIS CAPITAL INC. AND 1926360 ALBERTA LTD. (dba STIGMA PHARMACEUTICALS) JOINTLY ANNOUNCE ENTERING INTO DEFINITIVE AGREEMENT FOR PROPOSED AMALGAMATION

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October 17, 2018 - Calgary, Alberta, Canada – **CanadaBis Capital Inc. "TSXV:CANB.P"** ("**CanadaBis**" or the "**Company**"), an Alberta capital pool corporation listed on the TSX Venture Exchange, and 1926360 Alberta Ltd. doing business as Stigma Pharmaceuticals ("**Stigma**"), a life sciences products company specializing in the growth and marketing of medical cannabis and cannabis products with a facility located in Red Deer, Alberta, are pleased to announce (further to the press release dated August 1, 2018), that the parties have entered into an amalgamation agreement (the "**Amalgamation Agreement**") dated October 1, 2018 pursuant to which a subsidiary of CanadaBis will amalgamate (the "**Amalgamation**") with Stigma. The Amalgamation is considered an "arm's length" transaction as defined in the policies of the TSX Venture Exchange (the "**Exchange**").

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As a condition of the Transaction, Stigma must complete a financing, from arm's length investors, in a minimum amount of \$4 million in additional funds by the issuance of Stigma common shares (the "**Financing**") at an effective price of \$0.50 per share. The proceeds of the Financing will be used by the Resulting Issuer for improvements to the Facility, the purchase of equipment, and general and administrative expenses.

In addition, and as disclosed on August 1, 2018, effective on or prior to the close of the Transaction, an aggregate of 1,500,000 common shares of CanadaBis shall be transferred from the current directors of CanadaBis to Stigma (or its assignees) at a purchase price of \$0.05 per common share (the “Escrow Transfer”). The Escrow Transfer is subject to Exchange approval. As well, all of CanadaBis' existing 800,000 stock options to acquire common shares of CanadaBis together with 500,000 outstanding broker warrants will remain in effect following completion of the Qualifying Transaction, subject to early termination in accordance with their terms.

For additional information concerning Stigma please refer to the press release dated August 1, 2018, filed under the SEDAR profile for CanadaBis at [www.sedar.com](http://www.sedar.com).

### **Stigma Selected Financial Information:**

Selected financial information for Stigma for the years ended July 31, 2017 and 2016 (audited) and for the nine months ended April 30, 2018 (unaudited), is as follows.

	<b>For the nine months ended April 30, 2018</b>	<b>For the year ended July 31, 2016</b>	<b>For the year ended July 31, 2017</b>
Sales <sup>(1)</sup>	Nil	Nil	Nil
Gross profit	Nil	Nil	Nil
Net (loss)	(\$46,203)	Nil	(\$45,846)
Total assets	\$280,296	\$100	\$137,350
Total liabilities	\$372,245	Nil	\$183,096
Stockholder's equity (deficit)	(\$91,949)	\$100	(\$45,846)

### **Proposed Board of Directors and Management**

Following is a description of the proposed management of the Resulting Issuer.

#### **Travis McIntyre, President, CEO and a Director:**

Mr. McIntyre will be the President, CEO and a Director of the Resulting Issuer and Travis is the proud founder and president of Stigma Group. Travis brings with him a strong background in business management primarily in the oil and gas/civil construction sectors. He presently serves as president and CEO of both SS Pipelines, a pipeline and facility company based in Central Alberta, as well as THS Septic and Civil Solutions, a civil construction company focused on water and sewer applications. Travis completed post-secondary training at SAIT (Calgary) with his WET designation in 2002, and held consulting positions following his training with BP Canada, Penn West, TAQA North as a construction supervisor/inspector. Travis has extensive experience with Alberta Safety Codes and Regulations and currently maintains COR, ABSA and CWB certifications for his founded corporations.

### **Gregory Smith, Chief Financial Officer and Director**

Mr. Smith will be the Chief Financial Officer and a Director of the Resulting Issuer and is a Chartered Professional Accountant and President of Oakridge Financial Management Inc., a provider of financial and management consulting services to private and public companies. He is also the CFO and a director of Maglin Site Furniture Inc., a corporation that manufactures and distributes public site furniture primarily in Canada and the United States. He is currently a director and chairman of the audit committee of Falcon Oil & Gas Ltd., and a director of Rhode & Liesenfeld Canada Inc., a company involved in international freight forwarding, specializing in industrial and resource industries. He is a past director and audit committee chairman of a number of public and private resource corporations including director and chairman of the audit committees of Kerr Mines Inc., TriWestern Energy Inc., Jade Leader Corp., CDG Investments Inc. and Tyler Resources Inc. Mr. Smith was admitted to the Institute of Chartered Professional Accountants of Alberta in 1975 and holds a Bachelor of Commerce degree from the University of Calgary.

### **Barbara O'Neill, Corporate Secretary and a Director**

Ms. O'Neill will be the Corporate Secretary and a Director of the Resulting Issuer and has been Corporate Secretary for a number of TSX and TSX Venture Corporations primarily in the mining industry, both nationally and internationally, for the last 25 years. She has extensive experience in public offerings, public listings and Exchange matters, share and asset acquisitions and dispositions, restructurings, securities regulatory requirements for public issuers and other related business transactions. She is currently Corporate Secretary of Jade Leader Corp. and Canex Metals Inc. and previously Corporate Secretary of Guatavita Gold between May 2010 and December 2015, Corporate Secretary of CDG Investments and Tyler Resources Inc.

### **Douglas A. Dafoe, Director:**

Mr. Dafoe will be a Director of the Resulting Issuer and has more than 30 years of industry experience in financial and operating positions of increasing responsibility. Mr. Dafoe is currently the President & Chief Executive Officer of Ember Resources Inc. ("Ember"), a private company focused on natural gas exploration and production primarily from coal bed methane in Alberta, Canada. Prior to joining Ember, Mr. Dafoe was President and Chief Executive Officer of Thunder Energy Inc., a company he co-founded in 1996 and the predecessor company to Ember. Mr. Dafoe has a Bachelor of Business Administration from the University of North Dakota, is a Chartered Accountant and holds the ICD.D certification from the Institute of Corporate Directors. Mr. Dafoe has served on the Board of Governors of the Canadian Association of Petroleum Producers (CAPP) and several TSX-listed companies. He is also a director of Point Loma Resources Ltd., a TSX Venture-listed company.

### **Alex Michaud, Director:**

Mr. Michaud will be a Director of the Resulting Issuer and is currently the Managing Partner with Runway Developments, a development company that builds to suit buildings and land for rental at Edmonton International Airport. At Runway Developments he defines the scope and goal of new projects, including negotiation of land and development of said land complete with buildings. Mr. Michaud has over 50 years of business experience including as an owner/manager of Transcontinental Oilfield Industries, Managing Partner of Ninth Street Properties, as well as identifying and developing marketing strategies at Pe Ben Industries. Mr. Michaud was responsible for the development and implementation of promotional strategies to increase business growth and revenue.

## Shares issued under the Amalgamation

The table below illustrates the number of Resulting Issuer Shares outstanding and reserved for issuance following the Amalgamation.

	Number of Securities	Percentage of total number of Resulting Issuer Shares outstanding following the Amalgamation	
		(undiluted)	(fully-diluted)
CanadaBis outstanding	6,500,000	6.22%	6.14%
Resulting Issuer Shares to be issued as consideration for the Stigma Shares	90,060,000	86.13%	85.07%
Resulting Issuer Shares issuable pursuant to the Financing <sup>(3)</sup>	8,000,000	7.65%	7.56%
<b>Total Resulting Issuer Shares (undiluted)</b>	<b>104,560,000</b>	<b>100%</b>	<b>98.77%</b>
Resulting Issuer Shares issuable upon exercise of the CanadaBis Options <sup>(1)</sup>	800,000	--	0.76%
Resulting Issuer Shares issuable upon exercise of the CanadaBis Warrants <sup>(2)</sup>	500,000	--	0.47%
Resulting Issuer Shares issuable upon exercise of the Stigma Options	Nil	--	Nil%
<b>Total Resulting Issuer Shares (fully diluted)<sup>(3)</sup></b>	<b>105,860,000</b>	<b>100%</b>	<b>100%</b>

Notes:

- (1) CanadaBis options are exercisable at \$0.10 and expire 12 months following the closing of the Transaction.
- (2) CanadaBis broker warrants are exercisable at \$0.10 and expire 24 months following the closing of the Transaction.
- (3) Assumes full subscription for the Concurrent Financing.

### ***Principal Holders of Stigma***

The principal holders of Stigma are Travis McIntyre (President, CEO, Director and Founder) who currently holds 39,000,000 Stigma Shares (44.0%) and Kimberley McIntyre (Director and Founder) who currently holds 39,000,000 Stigma Shares (44.0%). At Closing, Mr. McIntyre will receive an aggregate of 39,000,000 CanadaBis Common Shares (40.4% of the Resulting Issuer - non-diluted) and Ms. McIntyre will receive an aggregate of 39,000,000 CanadaBis Common Shares (40.4% of the Resulting Issuer – non-diluted). The combined holdings of Mr. and Mrs. McIntyre, who are married, will be 78,000,000 CanadaBis Common Shares (80.8% of the Resulting Issuer – non-diluted).

### ***Conditions to Completion of the Amalgamation***

The closing of the Amalgamation is subject to satisfaction or waiver of terms and conditions, customary or otherwise, including all other applicable approvals including but not limited to the approval of the shareholders of Stigma and the TSXV. There can be no assurance that the Amalgamation will be completed as proposed or at all.

## **About Stigma**

Stigma was incorporated on October 13, 2015 pursuant to the Alberta *Business Corporations Act* as 1926360 Alberta Ltd. and operateds under the tradename Stigma Pharmaceuticals. Stigma is a medical marijuana cultivation and processing company located in Red Deer, Alberta. Stigma currently owns all of the issued and outstanding shares of 1998643 Alberta Ltd., which is the lessor of a commercial "craft cannabis" grow facility that is awaiting its certificate of readiness from Health Canada, located at 255 Clearview Drive, Red Deer, Alberta (the "**Facility**"). Stigma Pharmaceuticals has successfully completed the security clearance stage, and is currently constructing a 66,000 sq/ft facility in Red Deer, with planned expansion room and capabilities of up to 16,000 kgs to meet demands of recreational and medicinal cannabis consumption needs. With more than two years of research and development to determine optimal cannabinoid profiles and yield for use in our upcoming facility, as well as perfected extraction techniques of cannabis-based oils using the latest technology, Stigma looks to offer a more catered experience, setting it apart from other commercial producers.

After production, all cannabis will be sold to AGLC as dictated by the Alberta government, then repurchased from AGLC to be sold in Stigma's planned retail stores. Having submitted an application March 6th for retail sales, Stigma proudly sits at the top of the list, having passed initial review, and is actively proceeding through its final due diligence stages. Once processed, Stigma Pharmaceuticals will become one of the few vertically integrated companies in this market space.

All information contained in this news release with respect to CanadaBis and Stigma was supplied by the parties respectively for inclusion herein.

**Completion of the Transaction is subject to a number of conditions, including but not limited to, approval by shareholders of Stigma and acceptance of the Transaction by the TSX Venture Exchange. The Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.**

**Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.**

**The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.**

For further information, please contact:

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Email: [greg.smith@oakridgefinancial.ca](mailto:greg.smith@oakridgefinancial.ca)

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*