

**FORM 51-102F3  
MATERIAL CHANGE REPORT  
UNDER NATIONAL INSTRUMENT 51-102**

**Item 1 Name and Address of Company**

Halo Labs Inc. (“Halo” or the “Company”)  
77 King Street West, Suite 400  
Toronto, Ontario M5K 0A1

**Item 2 Date of Material Change**

December 22, 2020 and December 29, 2020

**Item 3 News Release**

News releases dated December 22 and 30, 2020 summarizing the material change was disseminated through the facilities of Business Wire and subsequently filed under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4 Summary of Material Change**

The Company announced completion of the acquisition of 1275111 B.C. Ltd. and private placement.

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

*Acquisition*

On December 22, 2020, the Company announced that it has entered into a share exchange agreement dated effective December 22, 2020 (the "Share Exchange Agreement") with 1275111 B.C. Ltd. ("1275111") and the shareholders of 1275111 (the "Shareholders"), pursuant to which the Company will acquire all the issued and outstanding shares of 1275111 in exchange for common shares (the "Halo Shares") of the Company (the "Acquisition"). 1275111 has developed certain patent pending intellectual property relating to cannabinoid filtration and purification. The Company expects that technology to be acquired will result in certain cost savings and enable Halo to process higher quality cannabis products on a more consistent basis.

On December 30, 2020, the Company announced it has closed the Acquisition. Halo issued an aggregate of 147,475,343 Halo Shares on closing of the Acquisition and acquired 100% of the outstanding common shares of 1275111 from the Shareholders.

Pursuant to the terms of the Share Exchange Agreement, the Shareholders entered into a pooling agreement with the Company whereby the Shareholders agree to not, during any trading day within a year of closing of the Acquisition, sell on a Canadian stock exchange such aggregate number of

Halo Shares that would exceed 15% of the prior trading day's total volume of sale orders in Halo Shares.

*Non-Brokered Private Placement*

On December 22, 2020, the Company also announced a proposed non-brokered private placement of up to 40,909,090 Halo Shares at a price of \$0.055 per share for aggregate gross proceeds of up to C\$2,250,000 (the "Private Placement").

On December 30, 2020, the Company announced it has closed the Private Placement pursuant to which an aggregate of 40,909,090 Halo Shares were issued at a price of C\$0.055 per share for aggregate gross proceeds of approximately C\$2,250,000. The Halo Shares issued pursuant to the Private Placement are subject to a four month and one day statutory hold period pursuant to applicable securities laws.

Halo has received the acceptance of the Neo Exchange Inc. for the Acquisition and Private Placement.

**5.2 Disclosure for Restructuring Transactions**

Not applicable

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

Not applicable

**Item 7 Omitted Information**

Not applicable

**Item 8 Executive Officer**

Kiran Sidhu  
Chief Executive Officer and Director  
+1 (941) 840-4495  
kiran@halocanna.com

**Item 9 Date of Report**

December 31, 2020