

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of the Company

Harvest One Cannabis Inc. (the "**Company**")
2650 - 1066 West Hastings Street
Vancouver, BC
V6E 3X1

Item 2 Date of Material Change

November 19, 2017 and November 21, 2017

Item 3 News Release

News releases announcing the material change were issued on November 20, 2017 and November 21, 2017, through the facilities of Marketwired. A copy of each news release was subsequently filed on SEDAR.

Item 4 Summary of Material Change

On November 20, 2017, the Company announced a bought deal prospectus offering, pursuant to which certain underwriters agreed to purchase, on a bought deal basis, 15,000 convertible debenture units of the Company (the "**Debenture Units**") for aggregate gross proceeds of \$15,000,000 and included the grant of an over-allotment option. On November 21, 2017, the Company announced that the size of the offering had been increased to 17,500 Debenture Units for aggregate gross proceeds of \$17,500,000 with a corresponding increase to the over allotment option (the "**Offering**").

Item 5 Full Description of Material Change

On November 20, 2017, the Company announced that it had entered into an agreement with Mackie Research Capital Corporation on behalf of a syndicate of underwriters including Haywood Securities Inc. and Eight Capital (collectively, the "**Underwriters**") pursuant to which the Underwriters agreed to purchase, on a bought deal basis, 15,000 Debenture Units at a price of \$1,000 per Debenture Unit (the "**Offering Price**"), for aggregate gross proceeds of \$15,000,000.

On November 21, 2017, the Company announced that the Offering had been increased, and that the Underwriters had agreed to purchase, on a bought deal basis, 17,500 Debenture Units for aggregate gross proceeds of \$17,500,000.

In connection with the Offering the Company granted the Underwriters an option (the "**Over-Allotment Option**") exercisable in whole or in part, at any time up to 30 days

after the closing of the Offering to purchase up to an additional 2625 Debenture Units at the Offering Price. If the Over-Allotment Option is exercised in full, the aggregate gross proceeds of the Offering will be \$20,125,000.

Under the Offering each Debenture Unit will consist of \$1,000 principal amount of 8.0% unsecured convertible debentures of the Company (the "**Convertible Debentures**") and 458 common share purchase warrants of the Company (the "**Warrants**").

The Convertible Debentures will bear interest from the date of closing at 8.0% per annum, payable semi-annually on June 30 and December 31 of each year and will mature 5 years from the date the Debenture Units are issued (the "**Maturity Date**"). The Convertible Debentures will be convertible at the option of the holder into common shares of the Company ("**Common Shares**") at any time prior to the close of business on the Maturity Date at a conversion price of \$0.84 per share (the "**Conversion Price**"). The Company may force the conversion of the principal amount of the then outstanding Convertible Debentures at the Conversion Price on not more than 60 days' and not less than 30 days' notice should the daily volume weighted average trading price of the Common Shares be greater than \$1.40 for the consecutive 30 trading days preceding the notice.

Upon a change of control of the Company, holders of the Convertible Debentures will have the right to require the Company to repurchase their Convertible Debentures, in whole or in part, on the date that is 30 days following the giving of notice of the change of control, at a price equal to 104% of the principal amount of the Convertible Debentures then outstanding, plus accrued and unpaid interest thereon (the "**Offer Price**"). If 90% or more of the principal amount of the Convertible Debentures outstanding on the date of the notice of the change of control have been tendered for redemption, the Company will have the right to redeem all of the remaining Convertible Debentures at the Offer Price.

Each Warrant entitles the holder thereof to acquire one Common Share for an exercise price equal to \$1.09 at any time up to 36 months following the closing of the Offering (subject to adjustment in certain customary events). Provided that if, at any time prior to the expiry date of the Warrants, the closing price of the Common Shares on the TSX Venture Exchange equals or exceeds \$1.64 for 10 consecutive trading days, the Company may, within 15 days of the occurrence of such event, deliver a notice to the holders of Warrants accelerating the expiry date of the Warrants to the date that is 30 days following the date of such notice (the "**Accelerated Exercise Period**") subject to the Accelerated Exercise Period being permitted under the policies of the principal exchange for any trading of the Warrants at that time. Any unexercised Warrants shall automatically expire at the end of the Accelerated Exercise Period.

As consideration for the services rendered by the Underwriters in connection with the Offering, the Company has agreed to pay the Underwriters a cash commission equal to 6.0% of the aggregate principal amount of Debenture Units issued under the Offering.

As additional consideration for the services rendered in connection with the Offering, the Company has agreed to issue the Underwriters such number of Debenture Units as is equal to 3.0% of the number of Debenture Units sold under the Offering (including any Debenture Units issued on the exercise of the Over-Allotment Option) (the "**Broker Debenture Units**"). Each Broker Debenture Unit will be comprised of one Convertible Debenture and 458 Warrants.

The Company intends to use the net proceeds of the Offering for working capital and general corporate purposes as well as for the expansion of a property in Chemainus, British Columbia which the Company intends to lease. Closing of the Offering is expected to occur on or about December 11, 2017. The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the TSX Venture Exchange.

The Debenture Units are being offering pursuant to a short-form prospectus filed in each of the provinces of Canada (other than Québec) pursuant to National Instrument 44-101–*Short Form Prospectus Distributions* and, will be offered in the United States on a private placement basis pursuant to appropriate exemptions from the registration requirements of the United States Securities Act of 1933, as amended. A preliminary prospectus in respect of the Offering was filed on November 24, 2017.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

The following senior officer of the Corporation is knowledgeable about the material change and this Material Change Report, and may be contacted as follows:

Lisa Dea, Chief Financial Officer
Telephone: 604-306-4004

Item 9 Date of Report

November 29, 2017

Cautionary Statement on Forward Looking Information

Certain statements contained in this material change report may be deemed "forward-looking statements" within the meaning of applicable Canadian and U.S. securities laws. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially.

In particular, this material change report contains forward-looking information relating to the Offering, the use of the net proceeds from the Offering, the timing and ability of the Company to close the Offering, if at all, the number of Debenture Units offered or sold and the terms of the same, the gross proceeds of the Offering, the timing and ability of the Company to obtain all necessary approvals, the terms of the Offering and any other information herein that is not a historical fact. The forward-looking information contained in this material change report is made as of the date hereof and is subject to change after such date. The Company disclaims any intention or obligation to revise any forward-looking statements, whether as a result of new information, further events or otherwise, other than as required by law. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.