

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Corporation

Harvest One Cannabis Inc. (the "**Company**" or "**Harvest One**")
Suite 1400, 885 West Georgia Street
Vancouver, BC V6C 3E8

Item 2. Date of Material Change

August 25, 2020

Item 3. News Release

A news release announcing the material change was issued on August 26, 2020, through the facilities of Cision and filed under the Company's profile on SEDAR at www.sedar.com.

Item 4. Summary of Material Change

On August 26, 2020, Harvest One announced that the Company has completed the sale of its United Greeneries' licensed cannabis cultivation and processing businesses located in Duncan, British Columbia (the "**Duncan Facility**") to Costa Canna Production Limited Liability Partnership ("**Costa LLP**") and 626875 B.C. Ltd. (together with Costa LLP, the "**Purchasers**") for total cash consideration of \$8.2 million (the "**Transaction**").

In addition to the closing of the Transaction, Harvest One will commence its previously announced licencing agreement with the Purchasers (the "**Licence Agreement**"), which provides Harvest One with the distribution of Cannabis 2.0 products in Canada including LivRelief's cannabis-infused topical creams currently available in six provinces across Canada.

In conjunction with the closing of the Transaction, the previously-announced: (i) \$1.5 million bridge financing facility (the "**Bridge Facility**") from Costa LLP, including the \$25,000 commitment fee under the Bridge Facility, has been repaid in full; and (ii) the secured loan (the "**Loan**") from MMJ Group Holdings Ltd. ("**MMJ**"), including interest and legal fees, totalling \$2,206,397 will be repaid in full. In addition, upon closing of the Transaction, pursuant to a finder's fee agreement entered into on February 26, 2020, between the Company and Mr. Andreas Gedeon relating to the Duncan Facility, the Company paid an arms-length finder's fee in the amount of \$253,000 to Mr. Gedeon.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

See news release attached hereto as Schedule "A".

5.2 Disclosure of Restructuring Transactions

Not applicable.

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

For further information, please contact:

Andrew Bayfield, CEO
Telephone: 604-449-9280

Item 9.

Date of Report

August 26, 2020

Schedule "A"



Harvest One Completes Sale of Duncan Facility for \$8.2 million and Commences Cannabis 2.0 Licence Agreement

August 26, 2020 – Vancouver, British Columbia – Harvest One Cannabis Inc. ("**Harvest One**" or the "**Company**") (TSX-V: HVT; OTCQX: HRVOF) is pleased to announce today, further to its news release dated June 26, 2020, that the Company has completed the sale of its United Greeneries' licensed cannabis cultivation and processing businesses located in Duncan, British Columbia (the "**Duncan Facility**") to Costa Canna Production Limited Liability Partnership ("**Costa LLP**") and 626875 B.C. Ltd. (together with Costa LLP, the "**Purchasers**") for total cash consideration of \$8.2 million (the "**Transaction**").

"We are delighted to have completed the sale of the Duncan Facility, which represents an important step in the evolution of Harvest One, as it focuses on operating as a cannabis CPG company," said Andrew Bayfield, Chief Executive Officer of Harvest One.

"This divestiture along with other key restructuring initiatives has streamlined our operations and significantly improved the Company's balance sheet, allowing management to reinvigorate the growth of its core consumer brands LivRelief™, Dream Water™ and Satipharm."

Under Harvest One's new strategic direction, the Company will focus on the growth of its leading CPG brands LivRelief™, Dream Water™ and Satipharm. Harvest One will continue to accelerate the commercialization of both infused and non-infused over-the-counter consumer products, while leveraging its established distribution channels in North America and Europe.

In addition to the closing of the Transaction, Harvest One will commence its previously announced licencing agreement with the Purchasers (the "**Licence Agreement**"), which provides Harvest One with the distribution of Cannabis 2.0 products in Canada including LivRelief's cannabis-infused topical creams currently available in six provinces across Canada.

The Company's previously-announced Strategic Review remains ongoing, as the Company continues to evaluate all strategic alternatives and potential sales of additional non-essential assets including the sale of the Company's 50.1% interest in Greenbelt Greenhouse and the Lucky Lake facility. The Company will continue to evaluate all transactions or financing alternatives available to support the growth and expansion of its CPG brands and product lines.

In conjunction with the closing of the Transaction, the previously-announced: (i) \$1.5 million bridge financing facility (the "**Bridge Facility**") from Costa LLP, including the \$25,000 commitment fee under the Bridge Facility, has been repaid in full; and (ii) the secured loan (the "**Loan**") from MMJ Group Holdings Ltd. ("**MMJ**"), including interest and legal fees, totalling \$2,206,397 will be repaid in full. In addition, upon closing of the Transaction, pursuant to a finder's fee agreement entered into on February 26, 2020, between the Company and Mr. Andreas Gedeon relating to the Duncan Facility, the Company paid an arms-length finder's fee in the amount of \$253,000 to Mr. Gedeon.

About Harvest One

Harvest One is a global company that develops and distributes premium health, wellness and selfcare products with a market focus on sleep, pain, and anxiety. Harvest One is a uniquely positioned company in the cannabis space with a focus on infused and non-infused consumer packaged goods. Harvest One owns and operates three subsidiaries; Satipharm (medical and nutraceutical); Dream Water Global, and Delivra (consumer); as well as a controlling interest in Greenbelt Greenhouse. For more information, please visit www.harvestone.com.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance about Harvest One and its business and operations, which include, among other things, statements with respect to the repayment of the Loan, the Strategic Review, its corporate strategy moving forward, any transactions arising from the Strategic Review, and future opportunities available for the Company. 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. The forward-looking information contained in this press release is made as of the date hereof, and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. 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.

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

Investor Relations:

Colin Clancy
Investor Relations
IR@harvestone.com
1-877-915-7934

Media and Other Enquiries:

Nicholas Van Dyk
Vincic Advisors
nicholas@vincicadvisors.com
1-604-364-5752