

FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Issuer:**

Auxly Cannabis Group Inc. (the "**Company**")
777 Richmond Street West
Suite #002
Toronto, Ontario M6J 0C2

2. **Date of Material Change:**

December 15, 2020.

3. **News Release:**

The news release disclosing the substance and nature of the material change was issued and disseminated on December 15, 2020 and subsequently filed on SEDAR.

4. **Summary of Material Change:**

On December 15, 2020, the Company completed the closing of its bought deal short form prospectus offering pursuant to which the Company issued 46,000,000 units of the Company (the "**Units**") at a price of \$0.30 per Unit for gross proceeds of \$13,800,000 (the "**Offering**"), including the full exercise of the over-allotment option granted to the Underwriter (as defined below).

5. **5.1 – Full Description of Material Change:**

Each Unit is comprised of one common share of the Company (each a "**Common Share**") and one-half of one Common Share purchase warrant of the Company (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$0.40 at any time up to 36 months from closing of the Offering.

The Offering was led by Mackie Research Capital Corporation as sole underwriter and sole bookrunner (the "**Underwriter**").

The net proceeds from the Offering will be used for working capital and other purposes as described in the prospectus of the Company dated December 10, 2020 prepared in connection with the Offering.

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

Not applicable.

7. **Omitted Information:**

No significant facts remain confidential in, and no information has been omitted from, this report.

8. **Executive Officer:**

For further information, please contact Hugo Alves, Chief Executive Officer, at hugo@auxly.com.

9. **Date of Report:**

December 29, 2020.