

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company

High Tide Inc. (the "Company")
#149, 2634 45 Ave SE
Calgary, Alberta
T2B 3M1

ITEM 2 Date of Material Change

December 13, 2018

ITEM 3 News Release

A news release disclosing the material change was issued on December 13, 2018 and filed on SEDAR at www.sedar.com.

ITEM 4 Summary of Material Change

The Company closed the first tranche of the sale of senior unsecured convertible debentures (the "**Debentures**") of the Company under the brokered private placement (the "**Offering**") previously announced on November 28, 2018. The Company has issued 10,000 Debentures at a price of \$1,000 per Debenture to Aurora Cannabis Inc. (NYSE: ACB) (TSX: ACB) (Frankfurt: 21P; WKN: A1C4WM) ("**Aurora**") as well as 1,330 Debentures to other Offering participants for gross proceeds to date of \$11,330,000.

One insider of the Company subscribed for 250 Debentures issued pursuant to this tranche of the Offering. This issuance constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is relying on an exemption available from the formal valuation requirements under Section 5.5(a) of MI 61-101 and an exemption available from minority approval requirements under Section 5.7(a) of MI 61-101 on the basis that the fair market value of such Debentures does not exceed 25% of the Company's market capitalization. The Company did not file a material change report more than 21 days prior to the closing of this tranche of the Offering as the insider participation was only recently confirmed, and the Company and the insider were ready and able to close prior to such 21-day period. The purchase of Debentures was unanimously consented to by the Board of Directors of the Company. The effect of the participation of CannaIncome Fund in the Offering is described in Schedule "B".

ITEM 5 Full Description of Material Change

Please see news release attached as Schedule "A".

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

Not applicable.

ITEM 7 Omitted Information

No information has been omitted from this report on the basis that it is confidential information.

ITEM 8 Executive Officer

For additional information with respect to this material change, the following person may be contacted:

High Tide Inc.
Krystal Dafoe
IR@hightideinc.ca
Tel: 403 703-4272

ITEM 9 Date of Report

This report is dated as of the 21st day of December, 2018.

Schedule "A"

See attached.

High Tide Receives \$10 Million Investment from Aurora Cannabis as Part of First Tranche of Convertible Debenture Offering

/THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES ABSENT SUCH REGISTRATION OR AN APPLICABLE EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS. THIS NEWS RELEASE DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES IN THE UNITED STATES NOR SHALL THERE BE ANY SALE OF THE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL./

CALGARY, Dec. 13, 2018 /CNW/ - High Tide Inc. ("High Tide" or the "Company") today announced that it has closed the first tranche of the sale of senior unsecured convertible debentures (the "Debentures") of the Company under the brokered private placement (the "Offering") previously announced on November 28, 2018. The Company has issued 10,000 Debentures at a price of \$1,000 per Debenture to Aurora Cannabis Inc. (NYSE: ACB) (TSX: ACB) (Frankfurt: 21P; WKN: A1C4WM) ("Aurora") as well as 1,330 Debentures to other Offering participants for gross proceeds to date of \$11,330,000.

Raj Grover, President & Chief Executive Officer of High Tide, said, "Receiving such a strong level of support from Aurora, a fellow Alberta-based company, is an exciting vote of confidence for our established and differentiated business. Securing this first tranche of funding for our current list of growth initiatives enables us to continue adding value to High Tide for shareholders." The net proceeds of the Offering will be used by the Company to fund retail acquisitions, Canna Cabana and Smoker's Corner store upgrades, for strategic acquisition opportunities as well as for general working capital purposes.

The Offering is being led by Canaccord Genuity Corp., as lead agent and sole bookrunner, (the "Agent") and High Tide intends to close a second and final tranche of the Offering for aggregate gross proceeds of up to \$20,000,000. The Company has granted the Agent an option, exercisable in whole or in part at the discretion of the Agent, to arrange for the purchase of up to an additional \$20,000,000 of the Debentures, for total proceeds of up to \$40,000,000, if the Agent's option is fully exercised, at any time until the closing of the Offering.

The Debentures will bear interest at a rate of 8.5% per annum from the closing date of the final tranche of the Offering, payable on the last business day of each calendar quarter. The Debentures are convertible to common shares of High Tide at a post-split price of \$0.75 per common share, which is a 50% premium to the last price at which units were issued by the Company, and will mature two years from the closing date of the Offering. The Debentures are subject to a statutory hold period that extends four months and one day from the closing date of the Offering.

One insider of the Company subscribed for 250 Debentures issued pursuant to this tranche of the Offering. This issuance constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on an exemption available from the formal valuation requirements under Section 5.5(a) of MI 61-101 and an exemption available from minority approval requirements under Section 5.7(a) of MI 61-101 on the basis that the fair market value of such Debentures does not

exceed 25% of the Company's market capitalization. The Company did not file a material change report more than 21 days prior to the closing of this tranche of the Offering as the insider participation was only recently confirmed, and the Company and the insider were ready and able to close prior to such 21-day period.

About High Tide Inc.

High Tide is an Alberta-based, retail-focused cannabis corporation. It is among the most vertically-integrated companies in the Canadian cannabis market, with portfolio subsidiaries including RGR Canada Inc., Smoker's Corner Ltd., Famous Brandz Inc., Canna Cabana Inc. and the majority of KushBar Inc. High Tide's strategy as a parent company is to extend and strengthen its retail-focused integrated value chain, while providing a complete customer experience and maximizing shareholder value.

Representing the core of High Tide's business, RGR Canada Inc. is a high-quality and innovative designer, manufacturer and distributor of cannabis accessories. Founded in 2009 and approved by the Canadian Franchise Association, Smoker's Corner Ltd. is Canada's largest counter-culture chain with 19 current locations. Famous Brandz Inc. is a dominant manufacturer of licensed lifestyle accessories, through partnerships with celebrities and entertainment companies including Snoop Dogg and Paramount Pictures. Famous Brandz' products are sold to wholesalers and retailers around the world. With the deregulation of recreational cannabis for adult use across Canada, Canna Cabana Inc. is positioned to become a sizeable retail brand through a modern concept with a sophisticated yet playful customer experience, while KushBar Inc. is a retail concept that will also be focused on the valued Canadian cannabis consumer.

For more information about High Tide Inc., visit www.hightideinc.ca

About Aurora

Headquartered in Edmonton, Alberta, Canada with funded capacity in excess of 500,000 kg per annum and sales and operations in 22 countries across five continents, Aurora is one of the world's largest and leading cannabis companies. Aurora is vertically integrated and horizontally diversified across every key segment of the value chain, from facility engineering and design to cannabis breeding and genetics research, cannabis and hemp production, derivatives, high value-add product development, home cultivation, wholesale and retail distribution.

Highly differentiated from its peers, Aurora has established a uniquely advanced, consistent and efficient production strategy, based on purpose-built facilities that integrate leading-edge technologies across all processes, defined by extensive automation and customization, resulting in the massive scale production of high quality product at low cost. Intended to be replicable and scalable globally, its production facilities are designed to produce cannabis of significant scale, with high quality, industry-leading yields, and low per gram production costs. Each of Aurora's facilities is built to meet EU GMP standards, and its first production facility, the recently acquired MedReleaf Markham facility, and its wholly owned European medical cannabis distributor Aurora Deutschland, have achieved this level of certification.

In addition to Aurora's rapid organic growth and strong execution on strategic M&A, which to date includes 15 wholly owned subsidiary companies – MedReleaf, CanvasRX, Peloton Pharmaceutical, Aurora Deutschland, H2 Biopharma, Urban Cultivator, BC Northern Lights, Larssen Greenhouses, CanniMed Therapeutics, Anandia Labs, HotHouse Consulting, MED Colombia, Agropuro, Borela, and ICC Labs – Aurora is distinguished by its reputation as a partner and employer of choice in the global cannabis sector, having invested in and established strategic partnerships with a range of leading innovators, including: Radiant Technologies Inc. (TSXV: RTI), Hempco Food and Fiber Inc. (TSXV: HEMP), Cann Group Ltd. (ASX: CAN), Micron Waste Technologies Inc. (CSE: MWM), Choom Holdings Inc. (CSE: CHOO), Capcium Inc. (private), Evio Beauty Group (private), Wagner

Dimas (private), CTT Pharmaceuticals (OTCC: CTTH), and Alcanna Inc. (TSX: CLIQ).

Aurora's Common Shares trade on the TSX and NYSE under the symbol "ACB" and are a constituent of the S&P/TSX Composite Index.

For more information about Aurora, please visit investor.auroramj.com

Forward-Looking Information

Certain statements in this news release are forward-looking information or forward-looking statements. Such information and statements, referred to herein as "forward-looking statements" are made as of the date of this news release or as of the date of the effective date of information described in this news release, as applicable. Forward-looking statements relate to future events or future performance and reflect current estimates, predictions, expectations or beliefs regarding future events. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (generally, forward-looking statements can be identified by use of words such as "outlook", "expects", "intend", "forecasts", "anticipates", "plans", "projects", "estimates", "envisages", "assumes", "needs", "strategy", "goals", "objectives", or variations thereof, or stating that certain actions, events or results "may", "can", "could", "would", "might", or "will" be taken, occur or be achieved, or the negative of any of these terms or similar expressions, and other similar terminology) are not statements of historical fact and may be forward-looking statements.

Such forward-looking statements are based on assumptions that may prove to be incorrect, including but not limited to the ability of High Tide to execute on its business plan, ability of High Tide to close additional tranches under the Offering, and information concerning the contemplated use of proceeds of the Offering. High Tide considers these assumptions to be reasonable in the circumstances. However, there can be no assurance that any one or more of the government, industry, market, operational or financial targets as set out herein will be achieved. Inherent in the forward-looking statements are known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements, or industry results, to differ materially from any results, performance or achievements expressed or implied by such forward-looking statements.

The forward-looking statements contained herein are current as of the date of this news release. Except as required by law, High Tide does not have any obligation to advise any person if it becomes aware of any inaccuracy in or omission from any forward-looking statement, nor does it intend, or assume any obligation, to update or revise these forward-looking statements to reflect new events or circumstances. Any and all forward-looking statements included in this news release are expressly qualified by this cautionary statement, and except as otherwise indicated, are made as of the date of this news release.

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For further information: Nick Kuzyk, Chief Strategy Officer & SVP Capital Markets at High Tide Inc.; Tel: (403) 265-4207; Email: Nick@HighTideInc.ca; Web: www.HighTideInc.ca.

CO: High Tide Inc.

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Schedule “B”

OWNERSHIP OF SECURITIES OF THE CORPORATION PRE-OFFERING AND POST-OFFERING

Related Party	Relationship	Common Shares Held Prior to Offering	Debentures Held Prior to Offering	Warrants Held Prior to Offering	Percentage Held Prior to Offering (Basic Basis)	Percentage Held Prior to Offering (Partially-Diluted Basis)	Debentures Purchased	Warrants Purchased	Subscription Amount	Common Shares Held After Offering	Debentures Held After Offering	Warrants Held After Offering	Percentage Held After Offering (Basic Basis)	Percentage Held After Offering (Partially-Diluted Basis)
Kwan, Arthur	Director	690,000	0	0	0.35% ⁽¹⁾	0.60% ⁽²⁾	250 ⁽³⁾	0	\$25,000	690,000	250	0	0.35% ⁽⁴⁾	0.77%

Notes:

1. Based on 196,888,846 common shares issued and outstanding.
2. Based on 196,888,846 common shares issued and outstanding; and 500,000 options held by Mr. Kwan.
3. Mr. Kwan is the beneficial owner of 250 Debentures held by CannaIncome Fund Corporation (“**CannaIncome**”), a corporation under the control and direction of Mr. Kwan.
4. Based on 196,888,846 common shares issued and outstanding, 500,000 options held by Mr. Kwan; and 333,333 common shares issuable to CannaIncome on the exercise of the Debentures held by CannaIncome.