

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 NAME AND ADDRESS

*GTEC Holdings Ltd. (the “Company”)
Suite 335, 1632 Dickson Avenue
Kelowna, British Columbia, V1Y 7T2*

ITEM 2 DATE OF MATERIAL CHANGE

March 13, 2020

ITEM 3 NEWS RELEASE

The Company issued a news release on March 17, 2020 relating to the material change, which was disseminated through Globe Newswire and subsequently filed on SEDAR.

ITEM 4 SUMMARY OF MATERIAL CHANGE

The Company amended the terms and conditions associated with the acquisitions of 1118157 B.C. Ltd. (“1118”), GreenTec Bio-Pharmaceuticals Corp. (“GreenTec”) and Grey Bruce Farms Incorporated (“Grey Bruce”) in order to waive or reduce certain payment obligations owing in connection with the acquisitions.

ITEM 5 FULL DESCRIPTION OF MATERIAL CHANGE

Amendment to 1118157 B.C. Ltd. Share Purchase Agreement

The Company entered into an amending agreement (the “1118 Amending Agreement”) with the vendors of 1118, amending the terms and conditions of a share purchase agreement previously entered into in respect of the acquisition of 1118 (the “1118 SPA”). Pursuant to the 1118 Amending Agreement, the vendors of 1118 agreed to waive all entitlement to the remaining milestone payments otherwise due under the 1118 SPA. As a result of the 1118 Amending Agreement, the Company owes no further payments in respect of the acquisition of 1118.

Amendment to GreenTec Bio-Pharmaceuticals Share Purchase Agreement

The Company also entered into an amending agreement (the “GreenTec Amending Agreement”) with the vendors of GreenTec, amending the terms and conditions of a share purchase agreement previously entered into in respect of the acquisition of GreenTec (the “GreenTec SPA”). Pursuant to the GreenTec Amending Agreement, the vendors of GreenTec have agreed to reduce their entitlement to a portion of the purchase price for GreenTec such that the remaining payment obligations of the Company under the GreenTec SPA are reduced by \$5,750,000. In addition to reducing the purchase price, the vendors of GreenTec also agreed to restructuring the remaining milestone payments owing under the GreenTec SPA and raise the floor price of the common shares of the Company to be issued in connection with the revised milestones.

Amendment to Grey Bruce Farms Share Purchase Agreement

The Company also entered into an amending agreement (the “**Grey Bruce Amending Agreement**”) with the vendors of Grey Bruce, amending the terms and conditions of a share purchase agreement entered into in respect of the acquisition of Grey Bruce (the “**Grey Bruce SPA**”). Pursuant to the Grey Bruce Amending Agreement, the vendors of Grey Bruce have agreed to restructuring the remaining milestone payment owing Norton Singhavon, a vendor of Grey Bruce, under the Grey Bruce SPA, and raise the floor price of the common shares of the Company to be issued in connection with the remaining milestones owing to the other vendors.

Related Party Transactions

Norton Singhavon was a vendor of 1118, GreenTec and Grey Bruce, and Michael Blady was a vendor of 1118, and as a result the 1118 Amending Agreement, the GreenTec Amending Agreement and the Grey Bruce Amending Agreement (collectively, the “**Amending Agreements**”), are considered related party transactions within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”).

Purpose and Business Reasons for the Amending Agreements, and the Anticipated Effect of the Amendments on the Business and Affairs of the Company

The Amending Agreements reduce capital obligations of the Company, and potential shareholder dilution, to align with current market conditions.

Review and Approval Process Adopted by the Board of Directors

All terms and conditions of the Amending Agreements were reviewed and approved by the board of directors of the Company at a meeting held on March 13, 2020. Norton Singhavon declared an interest in the Amending Agreements, and Michael Blady declared an interest in the 1118 Amending Agreement, and each abstained from voting in respect of these matters.

Formal Valuation and Minority Approval Exemptions Relied Upon

The Amending Agreements are exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101 on the basis that neither the fair market value of any of the Amending Agreements, nor the consideration paid in connection with any of the Amending Agreements, exceeds twenty-five percent of the market capitalization of the Company.

This report was not filed twenty-one days prior to the entering into of the Amending Agreements, as the terms of the Amending Agreements had not been established at that time.

ITEM 6 RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable. This report is not being filed on a confidential basis.

ITEM 7 OMITTED INFORMATION

Not applicable.

ITEM 8 EXECUTIVE OFFICER

The following executive officer of the Company is knowledgeable about the material change and this report:

*Norton Singhavon, Chief Executive Officer
Telephone: 778.760.8338*

ITEM 9 DATE OF REPORT

March 27, 2020