

**FORM 51-102F3
MATERIAL CHANGE REPORT**

ITEM 1. NAME AND ADDRESS OF ISSUER

Invictus MD Strategies Corp. (the "**Issuer**")
Suite 1108 – 1238 Seymour Street
Vancouver, BC, Canada V6B 6J3

ITEM 2. DATE OF MATERIAL CHANGE

December 29, 2016

ITEM 3. NEWS RELEASE

December 23, 2016 and December 29, 2016 through facilities of Marketwired.

ITEM 4. SUMMARY OF MATERIAL CHANGE

On December 29, 2016, the Issuer closed its purchase of shares in the capital of AB Laboratories Inc. and AB Ventures Inc. on the terms announced on December 23, 2016.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

See attached news releases.

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS

Not Applicable.

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

Not Applicable.

ITEM 7. OMITTED INFORMATION

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8. EXECUTIVE OFFICER

Dan Kriznic, Chief Executive Officer and Director
(604) 368-6437

ITEM 9. DATE OF REPORT

January 5, 2017

Schedule A

News Releases



PRESS RELEASEDecember 23, 2016

Invictus MD closes acquisition of ACMPR Licensed Producer AB Laboratories Inc.

VANCOUVER, BC, December 23, 2016 - INVICTUS MD STRATEGIES CORP. ("Invictus MD" or the "Company") (CSE: IMH; OTC: IVITF; FRA: 8IS) is pleased to announce that it has signed the definitive agreement to acquire 33.33% of AB Laboratories Inc. ("AB Labs"), a Licensed Producer under the Access to Cannabis for Medical Purposes Regulations ("ACMPR"), and up to 33.33% of AB Ventures Inc. ("AB Ventures"), a newly incorporated company formed to develop a second licensed expansion facility.

Under the terms of the agreement Invictus MD will acquire 33.33% of AB Labs, for consideration of CAD\$5,000,000 in cash and 2.4 million common shares of Invictus MD on closing and CAD\$2,000,000 in cash 90 days after closing. AB Labs is licensed for cultivation under the ACMPR and maintains a 16,000 square foot facility located in Hamilton, Ontario. Invictus MD will have the right of first refusal to arrange any initial public offering, reverse take-over or other going public transaction of AB Labs or AB Ventures following closing. Closing is expected to take place by December 29, 2016.

AB Ventures plans to acquire and develop 100 acres in Hamilton, Ontario for cannabis cultivation and sale under the ACMPR. Invictus MD has committed \$7.5 million to fund for the costs of licensing approval under the ACMPR, acquiring land and constructing the cultivation facility, in exchange for a 33.33% interest in AB Ventures. AB Ventures is currently in negotiation to acquire a suitable property and has plans to initially construct a 21,000 square foot facility, which would position the company to become one of the top tier Licensed Producers in Canada. Considering the anticipated size of AB Ventures' proposed land acquisition and facility and assuming AB Ventures obtains a license to produce the quantity forecasted for the proposed facility, the combined production capacity of both AB Labs and AB Ventures is expected to exceed 20,000 kilograms in 2019. Deloitte, a well-respected consulting company, recently published a



survey that suggested the Canadian retail cannabis market would be worth between \$4.9 billion and \$8.7 billion annually. Additionally the market for marijuana products and services - including growers, testing labs, lighting, and security systems - would increase that number to between \$12.7 billion and \$22.6 billion. Once taxes, licensing fees, and weed-related tourism are factored in, the market could even be greater than \$22.6 billion. The consulting firm further estimates that satisfying the recreational cannabis market will mean producing 600,000 kilograms of marijuana annually - far more than the existing 36 licensed producers grow for medicinal purposes.

Dan Kriznic, CEO of Invictus MD, commented, "This is a tremendous milestone for Invictus-MD and its shareholders. Breaking ground into the ACMPR has always been our intention since inception of our Company in December 2014. Partnering with the right team has been the most important criteria. After meeting, discussing, and conducting our due diligence on over 5 Licensed Producers, we are pleased with our partnership with AB Labs and AB Ventures. When both parties met, we both knew that this would be a great fit immediately."

About Invictus MD Strategies Corp.

Invictus MD targets cannabis companies with proven brands, strong customer focus, and significant growth potential. We provide not only capital to meet these objectives but also years of management experience from a team that has been successful in all facets of business, from establishing start-ups to running large international organizations. The fundamental core of our operations centers on the vast opportunities within fragmented industries.

Invictus MD works in partnership with management teams to increase shareholder value through business planning and process integration, developing and executing growth strategies, leveraging our experience and relationships, and structuring and deploying the proper capital to support long-term growth. Our prudent approach to both investing in and developing successful companies ensures successful execution of the business plan in both times of economic expansion and contraction.



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Growth with a Disciplined Acquisition Philosophy

For more information, please visit www.invictus-md.com.

On Behalf of the Board,

Dan Kriznic

Chairman & CEO

604-368-6437

Cautionary Note Regarding Forward-Looking Statements: This release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws or forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. All statements in this news release, other than statements of historical facts, including statements regarding future estimates, plans, objectives, assumptions or expectations of future performance, including the timing and completion of the proposed acquisitions of interests in AB Ventures and AB Labs and estimated production capacity, are forward-looking statements and contain forward-looking information. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as “intends” or “anticipates”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would” or “occur”. Forward-looking statements are based on certain material assumptions and analysis made by the Company and the opinions and estimates of management as of the date of this press release, including the assumptions that all conditions to closing will be satisfied, the proposed acquisitions of AB Ventures and AB Labs will occur as anticipated, that the Company will obtain all requisite approvals of the acquisitions, that AB Ventures will acquire land sufficient to build the proposed cultivation facility and such facility will be successfully built, that AB Ventures will be granted a license to produce the anticipated quantities under the ACMPR and all other required governmental approvals to produce and sell marijuana under the ACMPR will be obtained by AB Ventures and the AB Labs will obtain all approvals required for its proposed production quantities. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Important factors that may cause actual results to vary, include, without limitation, the risk that conditions to closing will not be satisfied or that the proposed acquisitions may otherwise not occur as planned, risks related to the timing and receipt of requisite approvals, the risk that AB Ventures will not: acquire land sufficient to build the proposed cultivation facility, successfully build the proposed cultivation facility or obtain a license or any other approvals required to produce the anticipated quantities under the ACMPR, and the risk that AB Labs will not obtain all approvals required for its proposed production quantities. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ



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materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statement, forward-looking information or financial outlook that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbour.



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PRESS RELEASE

December 29, 2016

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VANCOUVER, BC, December 29, 2016 - INVICTUS MD STRATEGIES CORP. ("Invictus MD" or the "Company") (CSE: IMH; OTC: IVITF; FRA: 8IS) is pleased to announce that it has closed the acquisition of 33.33% of the shares of AB Laboratories Inc. and the initial acquisition of shares of AB Ventures Inc., as previously announced on December 23, 2016.

Dan Kriznic, CEO of Invictus MD, commented, "This investment in AB Laboratories Inc. and AB Ventures Inc. solidifies Invictus MD as a major player on the forefront of the cannabis industry."

AB Laboratories Inc. is licensed for cultivation under the ACMPR and maintains a 16,000 square foot facility located in Hamilton, Ontario. The Company paid CAD\$5,000,000 and issued 2.4 million common shares to the vendor at closing, with a further CAD\$2,000,000 in cash due in 90 days.

AB Ventures Inc. is a newly incorporated company that plans to acquire and develop 100 acres in Hamilton, Ontario for cannabis cultivation and sale under the ACMPR. Invictus MD has committed \$7.5 million to fund the costs of licensing approval under the ACMPR, acquiring land and constructing the cultivation facility, in exchange for a 33.33% interest in AB Ventures. The Company advanced an initial \$2 million at closing into escrow to be deployed primarily for the purchase of the land.

About Invictus MD Strategies Corp.

Invictus MD targets cannabis companies with proven brands, strong customer focus, and significant growth potential. We provide not only capital to meet these objectives but also years of management experience from a team that has been successful in all

CSE : **IMH**

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For more information, please visit www.invictus-md.com.

On Behalf of the Board,

Dan Kriznic

Chairman & CEO
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