



DIXIE BRANDS INC.

SUPPLEMENT TO THE

MANAGEMENT INFORMATION CIRCULAR DATED JUNE 8, 2020

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF DIXIE BRANDS INC.

TO BE HELD ON JULY 14, 2020

These materials are important and require your immediate attention. Please carefully read this supplement together with the management information circular dated June 8, 2020, including the appendices thereto, as they contain detailed information related to, among other things, the Contribution and Exchange Agreement between Dixie Brands Inc. and BR Brands Inc. If you are in doubt as to how to deal with these materials or the matters they describe, please consult your financial, legal, income tax and/or professional advisors. If you have any questions or require more information, please contact Dixie Brands Inc. by email at cchapman@dixiebrands.com.

DIXIE BRANDS INC.

CSE: DIXI.U
OTCQX: DXBRF
FRANKFURT: 0QV

Dixie Brands Inc. (the "**Corporation**" or "**Dixie**") is providing this supplement ("**Supplement**") to the management information circular of the Corporation dated June 8, 2020 (the "**Information Circular**") for the annual and special meeting of shareholders of the Corporation (the "**Shareholders**") to be held on July 14, 2020 (the "**Meeting**"). Except as otherwise set forth in this Supplement, the terms and conditions previously set forth in the Information Circular continue to be applicable in all respects. Capitalized terms used in this Supplement not otherwise defined herein have the respective meanings given to them in the Information Circular (see section entitled "*Glossary of Terms*" in the Information Circular).

The purpose of this Supplement is to assist shareholders in considering and making a decision with respect to voting in connection with the matters described in the notice calling the Meeting (the "**Notice**") and to describe certain amendments to the Information Circular. References to the term "Information Circular" in the Notice shall be read as references to the Information Circular as amended and supplemented by this Supplement.

The purpose of this Supplement is to:

- (a) delete and replace the definition of "Fairness Opinion" on page 3 of the Information Circular in the section entitled "*Glossary of Terms*";
- (b) delete and replace the section beginning at page 19 of the Information Circular entitled "*Business to be Transacted at the Meeting – The Transaction – Fairness Opinion*";
- (c) provide disclosure of the Resulting Issuer in accordance with Policy 8 of the Canadian Securities Exchange ("**CSE**"); and
- (d) provide unaudited pro-forma financial information for the Resulting Issuer for the last full fiscal year and interim year-to-date of the Resulting Issuer in accordance with CSE policies.

On April 21, 2020, the Corporation entered into an agreement (the "**Contribution and Exchange Agreement**") with BR Brands Inc. ("**BRB**") providing for, among other things, the purchase by the Corporation from BRB of certain equity and debt interests of BRB in each of (a) BRB Mary's Holding Corp., (b) BZL Worldwide, Inc., (c) Eaze Technologies, Inc., (d) Edgewater Foods, Inc. and (e) Lost County, Inc., as set out in the table below:

<u>Entity</u>	<u>Number/Type of Security Contributed</u>
BRB Mary's Holding Corp.	4,500 common shares, or 100% of the company.
BZL Worldwide, Inc.	Secured convertible debt in an aggregate principal amount equal to \$5,700,000 pursuant to the Senior Secured Convertible Note dated as of May 14, 2019.
Edgewater Foods, Inc.	2,128.307487 common shares, or 87.23% of the company.
Lost County, Inc.	15,034 shares of common stock and 64,511 shares of Series A Preferred Stock (which shares comprise 69.3% of the issued and

outstanding shares of the company, exclusive of unexercised warrants and options).

Eaze Technologies, Inc. 925,480 shares of Series C Preferred Stock.

The Information Circular contains a detailed description of the Transaction and other information relating to the Corporation, BRB and the Resulting Issuer. Shareholders are urged to review and consider all of the information relating to the Transaction in the Information Circular.

Information Contained in this Supplement

The information contained in this Supplement is given as at July 7, 2020, except where otherwise noted. No person has been authorized to give any information or to make any representation in connection with the Transaction and other matters described herein other than those contained in the Information Circular and this Supplement and, if given or made, any such information or representation should be considered not to have been authorized by the Corporation. The Information Circular together with this Supplement does not constitute the solicitation of an offer to purchase, or the making of an offer to sell, any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation or offer is not authorized or in which the person making such solicitation or offer is not qualified to do so or to any person to whom it is unlawful to make such solicitation or offer. Information contained in the Information Circular and this Supplement should not be construed as legal, tax or financial advice and shareholders are urged to consult their own professional advisors in connection therewith.

You should carefully consider all of the information in the Information Circular and this Supplement and consult your financial, legal or other professional advisors if you require assistance. **Your vote is important regardless of how many securities you own.** To ensure that your shares will be represented at the Meeting, whether or not you are personally able to attend, registered holders of Dixie Shares who have not already done so are asked to return the applicable form of proxy that was sent with the Information Circular, properly completed and signed, prior to the applicable times indicated on such forms of proxy no later than 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any reconvened meeting if a Meeting is further adjourned, or vote by facsimile at 604-559-8909, email to proxy@transferagent.ca or online as listed on the Form of Proxy or Voter Information Card, all as more particularly described in the Information Circular.

The description in the Information Circular and this Supplement of the terms of the Transaction is a summary only. **Shareholders should refer to the full text of the Contribution and Exchange Agreement for complete details of the same**, which is available under the Corporation's SEDAR profile at www.sedar.com.

Forward Looking Statements

The information provided in this Supplement may contain "forward-looking information" and "forward-looking statements" within the meaning of the applicable securities laws. All statements, other than statements of historical fact, made herein that address activities, events or developments that the Corporation or BRB expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments, including statements regarding the Transaction, including anticipated benefits and the likelihood of completion thereof. These statements speak only as at the date they are made and are based on information currently

available and on current expectations and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to: (i) the ability of the parties to receive, in a timely manner and on satisfactory terms, all necessary regulatory approvals; (ii) the ability of the parties to satisfy, in a timely manner, the conditions to the completion of the Transaction; (iii) the likelihood of completion of the Transaction; (iv) the regulation of the medical and recreational marijuana industry in the United States, Canada, Latin America and other countries; (v) the ability of the parties to obtain meaningful consumer acceptance and a successful market for their cannabis products on a national and international basis at competitive prices; (vi) the ability of the parties to develop and maintain an effective sales network; (vii) the success of the parties in forecasting demand for their cannabis products or services; (viii) the ability of the parties to maintain pricing and thereby maintain adequate profit margins; (ix) the ability of the parties to achieve adequate intellectual property protection; (x) the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest; and (xi) other risks described from time to time in documents filed by the Corporation with securities regulatory authorities, including the Corporation's annual information form dated June 21, 2019.

The forward-looking statements contained herein are based on certain key expectations and assumptions, including that: (i) the Transaction with BRB will be completed on the terms described herein and as previously disclosed; (ii) the Transaction will be approved by the shareholders of the Corporation; (iii) the subordinate voting shares of the Corporation will continue to be listed and posted for trading on the CSE following the completion of the Transaction; (iv) there will be no material adverse competitive or technological change in the condition of either party's business; (v) there will be a demand for each party's products that has been accurately forecasted; and (vi) there will be no material adverse change in either party's operations, business or in any governmental regulation affecting either party or its suppliers.

With respect to the forward-looking statements contained herein, although the Corporation believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements as no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks, including the risks described above. Consequently, all forward-looking statements made in this Supplement are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Corporation or the Resulting Issuer, as the case may be. The cautionary statements contained or referred to herein should be considered in connection with any subsequent written or oral forward-looking statements that the Corporation and/or persons acting on the Corporation's behalf may issue.

Glossary of Terms

The definition of "Fairness Opinion" contained on page 3 in the section entitled "*Glossary of Terms*" of the Information Circular is deleted in its entirety and replaced with the following:

"Fairness Opinion" means the opinion delivered by AltaCorp Capital Inc. ("**AltaCorp**") to the Board, which provides that, as of the date thereof, and subject to the assumptions, qualifications and limitations set out therein, and such other matters as AltaCorp considered relevant, the Transaction is fair, from a financial point of view, to Dixie.

Fairness Opinion

The section entitled "*Business to be Transacted at the Meeting – The Transaction – Fairness Opinion*" beginning at page 19 of the Information Circular is deleted in its entirety and replaced with the following:

AltaCorp was formally engaged by the Board pursuant to the AltaCorp Engagement Agreement to act as financial advisor to Dixie and to provide an opinion as to the fairness, from a financial point of view, of the Transaction to Dixie. On April 19, 2020, AltaCorp verbally delivered its opinion, which was subsequently confirmed in writing to Dixie on June 10, 2020, that, as at that date and subject to the assumptions, qualifications and limitations set out in the Fairness Opinion and such other matters as AltaCorp considered relevant, the Transaction is fair, from a financial point of view, to Dixie.

Under the AltaCorp Engagement Agreement, AltaCorp will receive certain fees for its services as financial advisor, including a fee due upon the delivery of the Fairness Opinion, which fee was not contingent on the substance of the Fairness Opinion or upon success of the Transaction. In addition, Dixie has agreed to reimburse AltaCorp for its reasonable out-of-pocket expenses and to indemnify AltaCorp in respect of certain liabilities that might arise in connection with its engagement.

In arriving at its conclusions in the Fairness Opinion, AltaCorp reviewed, analyzed, considered and relied upon (without attempting to independently verify the completeness or accuracy thereof), among other things: (i) financial projections provided by the management of Dixie and BRB; (ii) relevant financial information in respect of both Dixie and BRB; (iii) certain internal financial, operating, corporate and other information prepared or provided by or on behalf of Dixie and/or BRB relating to the business, operations and financial condition of Dixie, BRB, and the Resulting Issuer; and (iv) certain internal management models, forecasts, projections, estimates and budgets prepared or provided by or on behalf of management of Dixie and/or BRB.

AltaCorp has disclaimed any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion after the date thereof. AltaCorp reserves the right to change, modify or withdraw the Fairness Opinion in the event that there is a material change in any fact or matter affecting the Fairness Opinion after the date thereof or if AltaCorp learns that the information relied upon was inaccurate, incomplete or misleading in any material respect.

Neither AltaCorp, nor any of its affiliates or associates, is an insider, associate or affiliate (as those terms are defined under applicable securities laws) of Dixie, BRB, or any of their respective associates or affiliates. Neither AltaCorp nor any of its affiliates or associates is an advisor to any of Dixie, BRB, or any of their respective associates or affiliates in respect to the Transaction other than to the Board pursuant to the Engagement Agreement. BRB is currently exploring one or more capital raising initiatives prior to the closing date of the Transaction and AltaCorp has been engaged by BRB to assist it in exploring financing opportunities.

Other than as set forth above, there are no understandings or agreements between AltaCorp and any of the Dixie, BRB, or any of their respective associates or affiliates with respect to future financial advisory or investment banking business. AltaCorp may in the future, in the ordinary course of its business, perform additional financial advisory or investment banking services for Dixie, BRB or any other interested party. In addition, AltaCorp has, and may in the future have, other normal course financial dealings with one or more of Dixie, BRB, the Resulting Issuer or any of their respective associates or affiliates.

The Fairness Opinion does not constitute a recommendation to the Board or to the holders of Dixie Shares as to whether such holder should vote for the Transaction Resolution and does not address the relative merits of the Transaction as compared to other transactions or business strategies that might be available to Dixie. Furthermore, the Fairness Opinion is not, and should not be construed as, a formal valuation or appraisal of Dixie or the Resulting Issuer or any of its assets or securities, or advice as to the price at which the Resulting Issuer's securities may trade at any future date, whether before or after completion of the Transaction. The Fairness Opinion was one of a number of factors taken into consideration by the Board in considering the Transaction.

Based upon and subject to the assumptions, qualifications and limitations contained therein, and such other matters as AltaCorp considered relevant, AltaCorp is of the opinion that, as of the date of the Fairness Opinion, the Transaction is fair, from a financial point of view, to Dixie.

Resulting Issuer

The following information is presented assuming completion of the Transaction, and is reflective of the projected business, financial and share capital position of the Resulting Issuer. This section only includes information respecting the Corporation and BRB after the Transaction that is materially different from information provided in the Information Circular or otherwise provided in this Supplement. See the various headings under "BRB" for additional information regarding BRB, and the Information Circular for additional information regarding the Corporation. See also the unaudited pro-forma condensed, consolidated and combined financial statements attached hereto as Appendix "A".

Name and Incorporation

Upon completion of the Transaction, the Resulting Issuer will change its name to BR Dixie Brands Holdings Inc., or such other name as may be mutually agreed upon by BRB and Dixie and as may be accepted by the Registrar of Companies. The Resulting Issuer will exist under the BCBCA.

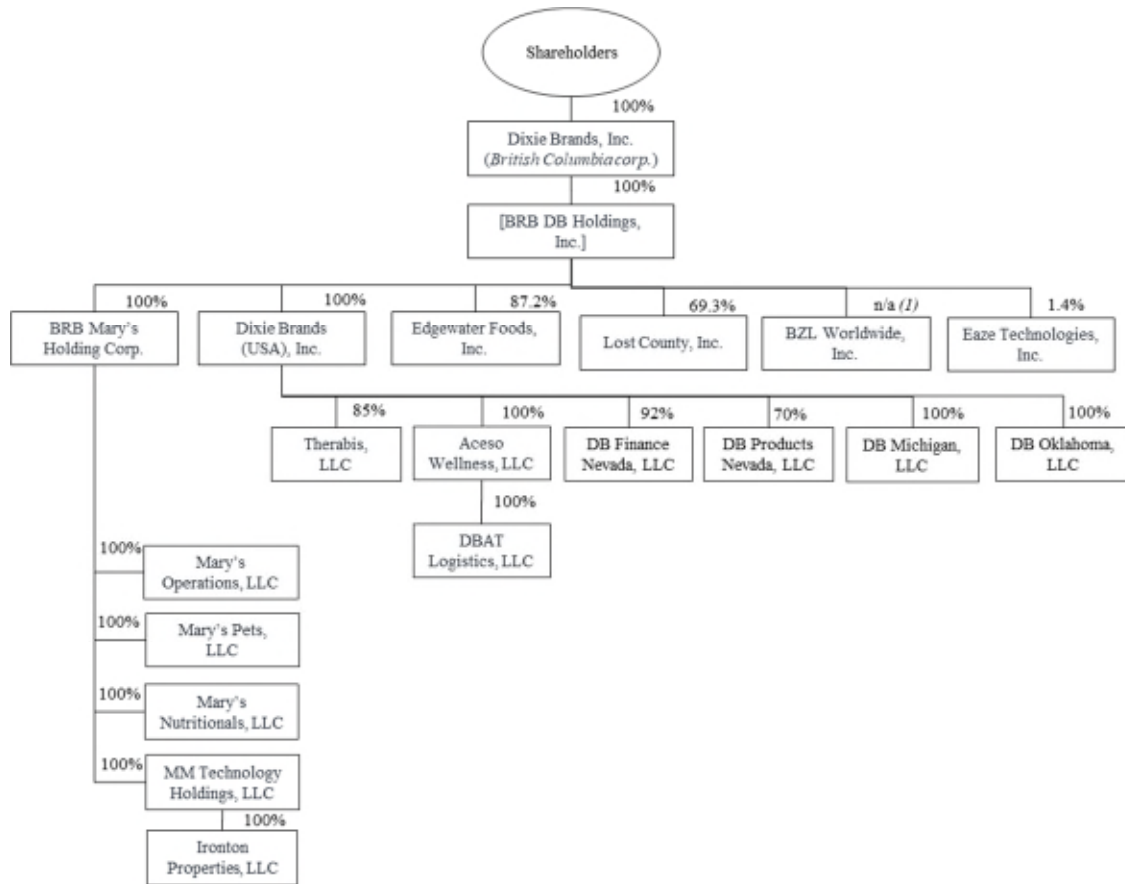
Upon completion of the Transaction, the head office of the Resulting Issuer will be located at 4990 Oakland Street, Denver, Colorado, 80239 and it is expected that Resulting Issuer's registered office will be located at 1500 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

Inter-corporate Relationship

Upon completion of the Transaction, the Resulting Issuer will have the following subsidiaries:

Name of Subsidiary	Jurisdiction of Incorporation	Shareholders and Interest held
BRB Mary's Holding Corp.	Delaware	BR Dixie Brands Holdings Inc. (100%)
Mary's Operations, LLC	Colorado	BRB Mary's Holding Corp. (100%)
Mary's Pets, LLC	Colorado	BRB Mary's Holding Corp. (100%)
Mary's Nutritionals, LLC	Colorado	BRB Mary's Holding Corp. (100%)
MM Technology Holdings, LLC	Delaware	BRB Mary's Holding Corp. (100%)
Ironton Properties LLC	Colorado	MM Technology Holdings, LLC (100%)
Edgewater Foods, Inc.	Delaware	BR Dixie Brands Holdings Inc. (87.2%)
Lost County, Inc.	Delaware	BR Dixie Brands Holdings Inc. (69.3%)
Eaze Technologies, Inc.	Delaware	BR Dixie Brands Holdings Inc. (1.4%)
Dixie Brands (USA), Inc.	Delaware	BR Dixie Brands Holdings Inc. (100%)
Therabis, LLC	Colorado	Dixie Brands (USA), Inc. (85%)
Aceso Wellness, LLC	Colorado	Dixie Brands (USA), Inc. (100%)
DB Finance Nevada, LLC	Nevada	Dixie Brands (USA), Inc. (92%)
DB Products Nevada, LLC	Nevada	Dixie Brands (USA), Inc. (70%)
DBAT Logistics, LLC	Colorado	Aceso Wellness, LLC (100%)
DB Michigan, LLC	Colorado	Dixie Brands (USA), Inc. (100%)
DB Oklahoma, LLC	Colorado	Dixie Brands (USA), Inc. (100%)

The corporate organization chart for the Resulting Issuer will be as follows:



(f) Investment in BZL Worldwide, Inc. structured as debt which is convertible into equity at a valuation to be determined based on BZL Worldwide, Inc.'s trailing twelve-months revenue at the time of conversion.

Description of the Business

Following the completion of the Transaction, the Resulting Issuer will be a leading United States multi-state cannabis consumer packaged goods company that reaches over 113 million Americans across nine U.S. states, with a portfolio of cannabis brands. It will develop and market branded cannabis products, targeted towards different customer segments, through different form factors, including adult-use topicals, confections, edibles, beverages and concentrates. It is expected that the Resulting Issuer will not directly manufacture any products containing THC, but partners with state licensed entities that perform such work pursuant to licensing arrangements. The Resulting Issuer will deliver comprehensive solutions to licensed cannabis processors including, (1) processing and transportation equipment or equipment leasing, (2) operating and marketing support, (3) licensing of intellectual property, and (4) supplying non-cannabis raw materials (e.g., packaging, labels, product components, etc.). The Resulting Issuer will also develop, manufacture and sell branded hemp-infused products.

The Resulting Issuer will have licensed certain portions of its intellectual property to qualified state regulated producers in the following states: California, Colorado, Connecticut, Florida, Illinois, Maryland, Nevada, Oklahoma and Vermont.

Stated Business Objectives

The Resulting Issuer will have three objectives that it will focus on for the next twelve months: (i) integrating the assets acquired from the Transaction with Dixie's and BRB's existing infrastructure and products; (ii) optimizing existing markets; and (iii) building a platform to support future product launches.

Integration

The Resulting Issuer will integrate and optimize the assets it will acquire from the Transaction. The initial focus of the Resulting Issuer will be to combine operations and sales organizations in each of the states where overlap between Dixie and BRB is expected. This will allow the Resulting Issuer to recognize synergies regarding production labour, sales and marketing execution, equipment, rent, and overhead costs.

Optimizing Existing Markets

The Resulting Issuer's future business plan is based on the current capital market conditions, planning conservatively that there will be limited availability of outside capital. In this type of environment, it will be crucial to optimize each of the markets where BRB has a presence. BRB has created a hierarchical list based on a matrix that considers total addressable market, revenue generation potential, market saturation of products and brands, return on invested capital, and the foothold that its brands currently enjoy. Resource allocation will be based on the speed and efficiency of the integration process with the goal of reducing overhead expenses and increasing productivity.

Product Procurement & Launches

Dixie and BRB each have extensive product portfolios and base their product procurement and launch decisions off sales data. Each market is different, and products sell better in some than others. Given this fact, the Resulting Issuer will ensure that the best sellers are being produced, eliminating the lower ranking products. Each of Dixie and BRB have strong innovation pipelines and launch new products when optimal. A product line that has garnered much press and excitement is the SunBrew product line. This is a joint venture between Dixie and Herbal Enterprises. This product line is targeted to launch in the third quarter of 2020.

Milestones

The Resulting Issuer's ongoing strategy will be growth oriented, focused on integration and optimization of existing products and markets, as well as expansion of the business through procurement of new products and businesses in existing markets. Specifically, the Resulting Issuer will look to acquire a portfolio of products in every state the Resulting Issuer will operate in during the twelve months following the completion of the Transaction. There is not a single event that will dictate the execution of this strategy in the near term.

It is anticipated that a full twelve months will be required to complete the operations and sales integration. Integration for finance, accounting, procurement and management will likely take more than twelve months to complete due to combining backend enterprise resource planning systems and various platforms used by Dixie and BRB and their subsidiaries.

The Resulting Issuer anticipates producing its portfolio of products in every state in which it will operate. It would need to build manufacturing infrastructure and develop sales channels in each state. The Resulting Issuer's focus for the next few months following the completion of the Transaction will be to launch its SunBrew products, which is anticipated to occur in the third quarter of 2020.

Available Funds

The pro forma working capital position of the Resulting Issuer as of June 30, 2020, giving effect to the Transaction as if it had been completed on that date, was approximately \$3,300,000.

Use of Funds

The funds available to the Resulting Issuer are expected to fund ongoing working capital to meet the Resulting Issuer's business objectives of: (i) integrating the assets acquired from the Transaction with the Resulting Issuer's existing infrastructure; (ii) optimizing existing markets; and (iii) building a platform to support future product launches.

The Resulting Issuer may require additional funds in order to satisfy its expenditure requirements to meet existing and any new business objectives, and expects to either issue additional securities or incur debt to do so. There can be no assurance that additional funding that may be required by the Resulting Issuer will be available on satisfactory terms, or at all. The amounts shown in the table below are estimates only and are based on the information available to the Resulting Issuer as of the date of this Supplement, and should be read in conjunction with the unaudited pro-forma condensed, consolidated and combined financial statements attached hereto as Appendix "A".

The following table represents the expected available funds of the Resulting Issuer and the principal purpose of those funds for the 12-month period following the completion of the Transaction:

Expected Funds Available to the Resulting Issuer ⁽¹⁾	\$33,529,730
General and Administrative Expenses	\$30,800,327
Anticipated Future Capital Expenditures	\$750,000
Excess Funds Available to the Resulting Issuer for Working Capital Purposes	\$1,979,402

Note:

- (1) The Resulting Issuer expects to begin generating positive cash from operations during the 12-month period following the completion of the Transaction to contribute funding to its ongoing operations.

Selected Unaudited Pro-Forma Financial Information

The following table is a summary of selected financial information for the Resulting Issuer for the fiscal year ended December 31, 2019 and as at March 31, 2020 after giving effect to the Transaction. This information has been prepared in accordance with IFRS and is expressed in U.S. dollars. See also Dixie's Financial Statements available on its profile at www.sedar.ca, and the unaudited pro-forma condensed, consolidated and combined financial statements attached hereto as Appendix "A".

	Pro-Forma as of December 31, 2019 (unaudited)	Pro-Forma as of March 31, 2020 (unaudited)
Revenue	\$33,450,690	\$6,417,712
Net Loss	(\$31,848,223)	(\$4,088,766)

Basic and diluted loss per share	(\$0.03)	(\$0.00)
Total Assets	N/A	\$20,792,907
Total non-current liabilities	N/A	\$14,193,564
Total current liabilities	N/A	\$20,311,979

Dividends

The future payment of dividends will be dependent upon the financial requirements of the Resulting Issuer to fund further growth, the financial condition of the Resulting Issuer and other factors which the board of directors of the Resulting Issuer may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future, if at all.

Description of Securities

General

Following the completion of the Transaction and continuation under the BCBCA, the Resulting Issuer will be authorized to issue an unlimited number of common shares without par value ("**Common Shares**").

Each Common Share will rank equally with all other Common Shares with respect to distribution of assets upon dissolution, liquidation or winding-up of the Resulting Issuer and payment of dividends. The holders of Common Shares will be entitled to one vote for each Common Share on all matters to be voted on by such holders and are entitled to receive pro rata such dividends as may be declared by the directors of the Resulting Issuer. The holders of Common Shares will have no pre-emptive or conversion rights. The rights attaching to the Common Shares can only be modified by the affirmative vote of at least two-thirds of the votes cast at a meeting of shareholders called for that purpose.

Directors and Officers of the Resulting Issuer

The below table lists the names, municipalities of residence of the proposed directors and officers of the Resulting Issuer, their proposed positions and offices to be held with the Resulting Issuer, and their principal occupations during the past five years and the number of securities of the Resulting Issuer which will be beneficially owned, directly or indirectly, or over which control or direction will be exercised by each upon completion of the Transaction. For further information regarding the proposed directors of the Resulting Issuer, see "*Business to be Transacted at the Meeting – Election of Directors*" in the Information Circular.

Name, place of the residence and proposed position with Resulting Issuer	Principal occupation during the last five years	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed⁽¹⁾
Andrew Schweibold⁽³⁾ Chairman Greenwich, CT	Co-Founder and Managing Partner, Rose Management Group LLC Co-Founder and Chairman, BR Brands LLC Director, Helix TCS Inc. Director, Eaze Technologies, Inc. Co-Founder and Partner, Delos Capital	Nil
Jonathan Rosenthal⁽³⁾	Co-Founder and Director, BR Brands, LLC	Nil

Name, place of the residence and proposed position with Resulting Issuer	Principal occupation during the last five years	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed ⁽¹⁾
Director Bloomfield Hills, Michigan	Co-Founder and Managing Partner, Rose Management Group, LLC Director, MM Technology Holdings, LLC Director, Eaze Technologies, Inc. Director, Dixie Brands, Inc. Director, Lost County, Inc. Director, Edgewater Foods, Inc. Director, Therabis, LLC Commercial Leader, General Electric Healthcare, Inc.	
Satyavrat Joshi ⁽²⁾ Director Westchester, New York Independent	Interim Chief Executive Officer and Director, BR Brands LLC Investment Professional, Rose Management Group, LLC Director, Helix Technologies, Inc. Director, Lost County, Inc. Director, MM Technology Holdings, LLC Director, Edgewater Foods, Inc. Partner, Incline Global Management Investment Professional, Hillhouse Capital Group	Nil
Charles (Chuck) Smith ⁽²⁾⁽³⁾ Director Chief Executive Officer Denver, Colorado	Director, President and Chief Executive Officer, Dixie Brands Inc.	10,189,736 subordinate voting shares 300,000 non-participating voting shares
Brian Graham ⁽²⁾ Director Atlanta Georgia Independent	Director, Dixie Brands Inc. Founder, Rise Investments International President, Asheville Distilling Company Co-Manager, Hawaii Sea Spirits Board Member, Georgia Chamber Board Member and Treasurer, Professional Beauty Association President, Manufacture's Leadership Council	2,408,353 subordinate voting shares ⁽⁴⁾
C.J. Chapman General Counsel and Executive Vice President Denver, Colorado	General Counsel and Secretary, Dixie Brands Inc. Partner, Brownstein Hyatt Farber & Schreck, LLP	263,375 subordinate voting shares 200,000 non-participating voting shares
Jared Lanser Interim Chief Financial Officer Denver, Colorado	Interim Chief Financial Officer, Dixie Brands Inc.	Nil

Notes:

- (1) The information as to principal occupation, business or employment and shares that will be beneficially owned or controlled is not within the knowledge of management of the Resulting Issuer and has been furnished by the respective individuals.
- (2) Proposed member of audit committee.
- (3) Proposed member of compensation committee.
- (4) Brian Graham holds his shares indirectly through Rise Investments International II Series Y, LLC, and Rise Investments International II Series 7.

Corporate Cease Trade Orders or Bankruptcies

No proposed director or officer of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, is, or within 10 years prior to the date hereof has been, a director or officer of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No proposed director or executive officer of the Resulting Issuer, or a shareholder holding a sufficient number of the Resulting Issuer's securities to affect materially the control of the Resulting Issuer, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No proposed director or executive officer of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons has, within the 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

Conflicts of Interest

Certain of the proposed directors and officers of the Resulting Issuer are currently, or may in the future become, involved in managerial or director positions with other issuers, both reporting and non-reporting, whose operations may, from time to time, be in direct competition with those of the Resulting Issuer or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Resulting Issuer.

In such event, the directors and officers of the Resulting Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests which they may have in any project or opportunity of the Resulting Issuer and abstain from voting thereon. In determining whether or not the Resulting Issuer will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Resulting Issuer may be exposed and its financial position at that time.

The proposed directors and officers of the Resulting Issuer also have either other employment or other business or time restrictions placed on them and accordingly, these directors and officers will only be able to devote part of their time to the affairs of the Resulting Issuer.

Conflicts, if any, will be subject to the procedures and remedies prescribed by the BCBCA, the CSE and applicable securities law, regulations and policies.

Management Details

The following is a brief description of the proposed directors and officers of the Resulting Issuer:

Andrew Schweibold, (37), Chairman

Mr. Schweibold is the Co-Founder and Managing Partner of Rose Management Group LLC, a private equity firm (since Jan. 2016). Mr. Schweibold is also the Co-Founder and Chairman of BR Brands, LLC (since Dec. 2017). In addition, he is currently a director of Helix TCS Inc. (since June 2018) and Eaze Technologies, Inc. (since June 2019). Mr. Schweibold previously worked across various private equity and investment platforms, including but not limited to, GTCR Golder Rauner and Apollo Global Management. Prior to founding Rose Management Group LLC, Mr. Schweibold co-founded and served as a partner and investment committee member of Delos Capital, a lower middle-market private equity investment firm that Mr. Schweibold co-founded (Jan. 2013 to Oct. 2016).

Mr. Schweibold earned a Bachelor in Business Administration (BBA) from the Stephen M. Ross School of Business at the University of Michigan, graduating with highest distinction.

Mr. Schweibold will be an independent contractor of the Resulting Issuer who will be retained by the Resulting Issuer under the Management Agreement, and, in his capacity as Chairman of the Resulting Issuer, he will dedicate approximately 25% of his time to the affairs of the Resulting Issuer. Mr. Schweibold will not be a party to any non-competition agreement or confidentiality agreement with the Resulting Issuer.

Jonathan Rosenthal, (39), Director

Mr. Rosenthal is the Co-Founder and Managing Partner of Rose Management Group LLC (since Jan. 2016). Mr. Rosenthal is also the Co-Founder and Director of BR Brands, LLC (since Dec. 2017). In addition, he is currently a director of MM Technology Holdings, LLC (since July, 2017), Lost County, Inc. (since September 2018) and Edgewater Foods, Inc. (since March, 2020). He was previously a director of Eaze Technologies, Inc. (2018-2019), Dixie Brands, Inc. (2016-2018) and Therabis, LLC. (2017-2018). He was previously a commercial leader with General Electric Healthcare, Inc. (2003-2017).

Mr. Rosenthal earned a Bachelors Degree in General Management (BA) from the Eli Broad College of Business at Michigan State University in 2003.

Mr. Rosenthal will be an independent contractor of the Resulting Issuer who will be retained by the Resulting Issuer under the Management Agreement, and, in his capacity as a director of the Resulting Issuer, he will dedicate approximately 75% of his time to the affairs of the Resulting Issuer. Mr. Rosenthal will not be a party to any non-competition agreement or confidentiality agreement with the Resulting Issuer.

Satyavrat Joshi, (36), Director

Mr. Joshi serves as a Partner at Rose Management Group, LLC (February 2018 to present). He is currently the Interim CEO and Director of BR Brands, LLC (since October 2019). He is also a director of Helix Technologies, Inc. (since December 2018), Lost County, Inc. (since August 2019), MM Technology Holdings, LLC (since March 2019) and Edgewater Foods Inc. (since March 2020). From November 2014 to February 2017, Mr. Joshi was a partner at Incline Global Management. He was an Investment Professional at Hillhouse Capital Group from February 2017 to January 2018.

Mr. Joshi earned a Bachelors of Science (BS) in Commerce from the McIntire School of Commerce at the University of Virginia in 2005.

Mr. Joshi will be an independent contractor of the Resulting Issuer and will be retained by the Resulting Issuer under the Management Agreement, and, in his capacity as a director of the Resulting Issuer, he will dedicate approximately 50% of his time to the affairs of the Resulting Issuer. Mr. Joshi will not be a party to any non-competition or confidentiality agreement with the Resulting Issuer. See *“Executive Compensation – Termination and Change of Control Benefits and Management Contracts”*.

Charles Smith, (59), Chief Executive Officer and Director

Charles "Chuck" Smith will be the President and Chief Executive Officer of the Resulting Issuer. He is the President and Chief Executive Officer of Therabis, and Aceso Wellness, two of the leading hemp supplement brands. As one of two original founders of Dixie, Mr. Smith helped the Resulting Issuer grow from a "garage operation" to a 27,000 square foot state-of-the-art, vertically integrated manufacturing facility that was the first-of-its-kind for the marijuana industry.

In the 10 years, since co-founding the company, Mr. Smith has overseen the building of one of the most recognized brands in the industry. During that time, Dixie has grown its portfolio to over 100 product offerings, opened 5 new states of operation in addition to Colorado, built significant and lasting distribution partnerships and developed strong platforms for execution in manufacturing, marketing and sales.

In addition, Mr. Smith has served on a variety of industry associations and policy-minded organizations. He was a Founding Board Member of the Cannabis Trade Federation, Founding Board Member of the New Federalism Fund and is currently Board President of Colorado Leads, a coalition of Colorado cannabis business leaders.

Mr. Smith has over 25 years of experience in a variety of industries. He has a strong financial background, holding the position of Chief Financial Officer for a mid-sized retail apparel chain and has built and managed sales and marketing teams for private and publicly traded technology companies. Prior to building Dixie and the Dixie brand, Mr. Smith was President of Bella Terra Realty Holdings where he oversaw all aspects of the Bella Terra Resort Development Company.

Mr. Smith has a Bachelor's degree in Accounting from the University of Maryland and an MBA from the Owen Graduate School at Vanderbilt University.

Mr. Smith will be an employee of the Resulting Issuer, and, in his capacity as Chief Executive Officer and director of the Resulting Issuer, he will dedicate approximately 100% of his time to the affairs of the Resulting Issuer. Mr. Smith will be subject to non-competition and confidentiality obligations in accordance with his employment arrangements. See the section entitled "*Statement of Executive Compensation – Termination and Change of Control Benefits and Management Contracts*" in the Information Circular.

Brian Graham, (50), Director

Brian Graham served as Chief Executive Officer and member of the board of directors of NIOXIN Research Laboratories, Inc., a global leader in the manufacturing of hair care products. During his tenure from 2003 to 2010, Mr. Graham transitioned the company from a privately held regional consumer products business to a dominant global company recently acquired by Procter & Gamble. Under Mr. Graham's leadership, the company's revenues doubled and its EBITDA increased from US\$1M to US\$17M. Mr. Graham led the company through a rapid profitable growth phase expanding both the company's product portfolio as well as its geographical reach.

After NIOXIN's acquisition by Procter and Gamble, Mr. Graham became a member of the P&G Salon Professional Lead Team. He continued to lead the business and the integration efforts as NIOXIN's CEO, exceeding acquisition economics by over \$20 million and led several key initiatives for the business. As a result, Mr. Graham received the Platinum Power of You Award from the Division President.

In 2010, Mr. Graham began investing in a variety of businesses across many industries. These include big data, technology, real estate, business services, a multi-family office (Pathstone) and Fleetwood's on Front Street (Maui) with Mick Fleetwood. In addition, Mr. Graham founded Blue Ridge Spirits and served as President of Asheville Distilling Company.

In 2014, Mr. Graham founded Rise Investments International, a company focused on providing growth equity, debt financing and management resources for closely held businesses ranging from start-ups to mid-cap enterprises. Recent transactions include Hawaii Sea Spirits, PlaySight, Tennis Media Company, and Gozio Inc.

In 1992, Mr. Graham received his Bachelor of Science degree from Georgia Southern University. He has also attended Executive Programs at the University of Michigan and in 2002 completed the Program for Management Development at Harvard University.

He is a member of Young Presidents Organization, the Harvard Business Club, the Alpha Tau Omega fraternity and serves on numerous for-profit and non-profit boards. Currently, he serves as Co-Manager of Hawaii Sea Spirits. Previous appointments include the Georgia Chamber, board member and Treasurer of the Professional Beauty Association and Past President of the 34 Manufacture's Leadership Council.

Mr. Graham will be an independent contractor of the Resulting Issuer, and, in his capacity as a director of the Resulting Issuer, he will dedicate approximately 15% of his time to the affairs of the Resulting Issuer. Mr. Graham is not party to a non-competition or confidentiality agreement with the Resulting Issuer.

C.J. Chapman, (41), General Counsel and Executive Vice President

Mr. Chapman will be the General Counsel, Executive Vice President and Secretary of the Resulting Issuer. Mr. Chapman joined Dixie USA on June 18, 2018. Over his two years, he has led the transition of Dixie from a privately held company to a publicly listed company on the Canadian Securities Exchange.

Following the completion of the Transaction, he will manage the corporate governance, public reporting, compliance, human resources, and all contract negotiations, for the Resulting Issuer.

Prior to joining Dixie, he directed a single-family office based in New York with respect to venture structures, operations, and legal issues. Mr. Chapman previously spent his entire legal private practice career at Brownstein Hyatt Farber Schreck, LLP in the real estate and corporate departments. He practiced at Brownstein from 2006 through 2017, first as an associate and then, as of 2013, as a partner.

His practice focused on the acquisition, disposition, financing, leasing, and development of various commercial real estate assets, including apartment and office buildings, sports complexes, hotels, shopping centers, and vacant land. With respect to Mr. Chapman's corporate practice, he advised various companies on corporate matters, including partnership agreements, formation of entities, corporate finance, and general corporate governance. He served as outside general counsel to one of the nation's largest cattle feed manufacturers advising them on all corporate matters. In addition, he served as outside general counsel to the Oakland Alameda County Coliseum Authority, the entity that owns the Oakland Coliseum (the current stadium for the Oakland A's and the former stadium of the Oakland Raiders) and Oracle Arena (the former arena of the Golden State Warriors).

Mr. Chapman received his A.B. in politics from Princeton University and his J.D. from the University of Denver Sturm College of Law.

Mr. Chapman will be an employee of the Resulting Issuer, and, in his capacity as General Counsel, Executive Vice President and Secretary of the Resulting Issuer, he will dedicate approximately 100% of his time to the affairs of the Resulting Issuer. Mr. Chapman will be subject to non-competition and confidentiality obligations in accordance with his employment arrangements. See the section entitled "*Statement of Executive Compensation – Termination and Change of Control Benefits and Management Contracts*" in the Information Circular.

Jared Lanser, (35), Interim Chief Financial Officer

Jared Lanser will be the Interim Chief Financial Officer of the Resulting Issuer. Mr. Lanser joined Dixie in July 2018 as its corporate controller where he oversaw the completion of the audit of Dixie's 2016, 2017 and 2018 financial statements, among other responsibilities. In February 2020, Mr. Lanser assumed the role of the Interim Chief Financial Officer of Dixie.

Mr. Lanser has 12 years of experience in finance and accounting and has spent most of his professional life working in manufacturing either on the corporate side as a controller or chief financial officer or in the public accounting side specializing in financial statement audits for manufacturing entities. Prior to joining Dixie, Mr. Lanser was the chief financial officer of a private equity backed mid-sized manufacturing company.

Mr. Lanser holds a Bachelor's Degree in Accounting and emphases in Supply Chain & Operations Management and Financial Services from University of Wisconsin – Oshkosh.

Mr. Lanser will be an employee of the Resulting Issuer, and, in his capacity as Interim Chief Financial Officer of the Resulting Issuer, he will dedicate approximately 100% of his time to the affairs of the Resulting Issuer. Mr. Lanser will be subject to non-competition and confidentiality obligations in accordance with his employment arrangements.

Management Contract with Rose Capital

Rose Management Group LLC ("**Rose Capital**") and BRB, are party to a management agreement, dated as of April 24, 2019 (the "**BRB Management Services Agreement**"), pursuant to which Rose Capital provides strategic and operational services (collectively, the "**Services**") to BRB and its subsidiaries. Services specified in the BRB Management Services Agreement include: (a) advice in connection with the negotiation and consummation of commercial agreements and merger and acquisition transactions; (b) financial, business, managerial and operational guidance and support; (c) strategic guidance in connection with potential partnerships, joint ventures and other initiatives; and (d) financial and strategic planning and analysis, consulting services, human resources and executive recruitment services. As compensation for such Services, Rose Capital is entitled to receive a per annum management fee which covers a portion of the salaries and benefits of the Rose Capital personnel providing such Services.

In connection with the completion of the Transaction, the BRB Management Services Agreement will be terminated and replaced by a new management services agreement to be entered into between Rose Capital and the Resulting Issuer (the "**Management Services Agreement**") pursuant to which Rose Capital will provide the Services to the Resulting Issuer and its subsidiaries following the closing of the Transaction. As compensation for such Services and in order to cover a portion of the salaries and benefits of the Rose Capital personnel providing such Services, the Resulting Issuer will pay Rose Capital a monthly management fee in the amount of \$166,667, in addition to the reimbursement of reasonable out-of-pocket expenses incurred in connection with the provision of any Services. The Management Services Agreement will have an initial term of 18 months, with successive 18-month renewal terms so long as the board of directors of the Resulting Issuer and the board of managers of Rose Capital jointly approve each successive renewal term. Either party may terminate the Management Services Agreement as a result of a material breach (which is not cured within a 30-day notice and cure period) by the other party to the Management Services Agreement.

Narrative Description of the Business

Specialized Skill and Knowledge

For nearly a decade, the Corporation has pioneered innovative product development processes and technology to aid in specific cannabinoid isolation for use in trendsetting infused products in various formats. These techniques have paved the way for the evolution of infused products by way of new cannabinoid-specific ratios that more accurately target the unique ailments of the patient or consumer. The Corporation's research and execution of these cannabinoid ratio products accounts for several top revenue-generating and award-winning product categories in the Corporation's brand line up. The Corporation has written, vetted, and implemented nearly 250 proprietary SOP documents to assist its affiliate network in infusing and producing premium, safe and constant cannabis-based Products in compliance with each state's individual regulations while delivering on the Corporation's brands' promise. In addition, the Corporation's SOP database includes procedures for compliant and efficient oversight of an infused-Product manufacturing facility. These facility-based procedures include extraction methods, maintenance, security, and other good manufacturing procedures.

As further evidence of the Corporation's leadership position on cannabinoid IP, the Corporation's wholly-owned subsidiary AcesoHemp was granted a patent for scientific breakthrough in cannabinoid delivery from the United States Patent and Trademark Office. The patent, entitled 'Cannabinoid Emulsion Product and Process for Making the Same', encompasses a broad set of popular formats and formulations providing for the delivery of cannabinoids, along with nutrients, supplements and vitamins in effervescent powder and/or aqueous liquid forms. The Corporation's expertise in cannabinoid product development goes beyond

human application with its wholly owned subsidiary Therabis crafting a line of 'Veterinarian Formula' versions of its existing canine and feline product range, available only via licensed Veterinarians.

Competitive Conditions

The fast-growing market for legalized cannabis in both Canada and the U.S. has created a competitive environment for cannabis producers and brands as well as other types of companies who provide goods and services to the cannabis industry. However, there remains a significant lack of traditional sources of bank lending and equity capital available to fund the operations of companies in the cannabis sector. It is expected that the Resulting Issuer can continue to expand its cannabis-related holdings by providing tailored, state law compliant, and financially attractive sources of funding and/or equity investment to cannabis and cannabis-connected companies. Because of the rapid growth of the cannabis industry, the Resulting Issuer may face competition from other companies in the sector who are accessing the equity capital markets.

The Resulting Issuer is expected to compete in both medical and adult-use markets across several states. Medical markets, like Michigan and Illinois, offer barriers to entry in the form of limited licenses, high regulatory hurdles for compliance, and skillsets required to operate efficiently in a rapidly evolving marketplace. Mature recreational markets, like California and Colorado, have fewer barriers to entry and more closely reflect free market dynamics typically seen in mature retail and manufacturing industries. The growth of these markets poses a risk of increased competition.

The Resulting Issuer will also face competition from other companies that may have a higher capitalization, access to public equity markets, more experienced management or may be more mature as a business. The vast majority of both manufacturing and brand competitors in the Resulting Issuer's expected markets consist of localized businesses (i.e. doing business in only a single state market).

There are a few multi-state operators that the Resulting Issuer may compete with directly in several of the Resulting Issuer's operating markets. Aside from this direct competition, out-of-state operators that are capitalized well enough to enter those markets through acquisitive growth are also considered part of the competitive landscape.

Competitive Position

The Resulting Issuer is expected to be a leading North American cannabis company with extensive experience and knowledge of many state cannabis markets. The Resulting Issuer's largest brands, Mary's and Dixie, have been in business for approximately seven and ten years, respectively, and have a customer following. With this history of operating success, the Resulting Issuer will have significant insight into consumer values, preferences, and purchasing habits resulting in a meaningful understanding of the retail market, and has extensive operational history demonstrating its results.

Following the completion of the Transaction, it is expected that the Resulting Issuer will have presence in California, Colorado, Connecticut, Florida, Illinois, Maryland, Nevada, Oklahoma and Vermont. In large markets like Colorado and California, the Resulting Issuer is expected to maintain its own production and distribution facilities, totaling 64,000 square feet.

The expected operating platform of the Resulting Issuer includes a trove of intellectual property, research, patents/patents pending and development skillsets that have resulted in the production of over 200 SKUs spanning different consumer groups and across several product categories in the medical and adult-use markets, including: transdermal patches, gel pens, tinctures, lotions, capsules, tinctures, gummies / candies, concentrates/vape cartridges and an array of beverages.

Indebtedness of Directors and Executive Officers

Aggregate Indebtedness

Other than as described below, no director, executive officer or senior officer of the Resulting Issuer or any associate of any of them, will be indebted to the Resulting Issuer on the completion of the Transaction.

Purpose	To the Resulting Issuer
Loan	US\$190,234.40 ⁽¹⁾

Note:

- (1) As of March 31, 2020, a director will owe the Resulting Issuer an aggregate total of US\$190,234.40 pursuant to two promissory notes dated January 2, 2020 (US\$140,234.40) and January 24, 2020 (US\$50,000). The loan is unsecured, matures two years from the date of issuance and bears an interest rate at 3% per annum.

Indebtedness of Directors and Executive Officers under (1) Securities Purchase and (2) Other Programs

No directors or executive officers, or any associates of such persons, will be indebted to the Resulting Issuer on the completion of the Transaction and no indebtedness of such persons will be the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Resulting Issuer.

Promoters

Charles Smith may be considered to be a promoter of the Resulting Issuer by virtue of his status as a co-founder of the Corporation. Other than as disclosed in the Corporation's public filings, there is nothing of value, including money, property, contracts, options or rights of any kind received or to be received by either of them directly or indirectly from the Corporation or the Resulting Issuer, or from a subsidiary thereof, nor any assets, services or other consideration received or to be received by the Corporation or the Resulting Issuer, or by a subsidiary thereof in return. Other than as disclosed herein, no asset has been acquired, within the two years before the date of this Supplement, or is to be acquired by The Corporation or the Resulting Issuer, or any subsidiary thereof, from Mr. Smith.

Mr. Smith is not, as at the date of this Supplement, and was not within 10 years before the date of this Supplement, a director, chief executive officer, or chief financial officer of any person or issuer that: (i) was subject to any cease trade order, order similar to a cease trade order or an order that denied the relevant person or issuer access to any exemption under securities legislation, and was in effect for a period of more than 30 consecutive days, that was issued while he was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to any cease trade order, order similar to a cease trade order or an order that denied the relevant person or issuer access to any exemption under securities legislation, and was in effect for a period of more than 30 consecutive days, that was issued after he ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while he was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Smith is not, as at the date of this Supplement, and nor has he been within the 10 years before the date of this Supplement, a director or executive officer of any person or company that, while he was acting in that capacity, or within a year of him ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. In

addition, other than as disclosed herein, Mr. Smith has not, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

Mr. Smith has not been subject to any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority, and neither has he entered into a settlement agreement with a provincial and territorial securities regulatory authority. In addition, Mr. Smith is not subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Legal Proceedings

Legal Proceedings

To the knowledge of the management of each of The Corporation and BRB, there are no actual or contemplated material legal proceedings to which the Resulting Issuer will be a party upon completion of the Transaction.

Regulatory Actions

Neither The Corporation nor BRB is currently, and upon completion of the Transaction it is not expected that the Resulting Issuer will be, subject to any penalties or sanctions imposed by any court or regulatory authority relating to securities legislation or by a securities regulatory authority. In addition, neither The Corporation nor BRB has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that are necessary to provide full, true and plain disclosure of all material facts relating to the Resulting Issuer's securities or would be likely to be considered important to a reasonable investor making an investment decision.

Interest of Management and Others in Material Transactions

Other than as set out in the section in the Information Circular entitled "*Statement of Executive Compensation*", it is not excepted that any proposed director or executive officer of the Resulting Issuer, or any expected principal shareholder of the Resulting Issuer, or in each case any associate or affiliate of any of the foregoing, has or has had any material interest, direct or indirect, in any material transaction of The Corporation within the three years before the date of this Supplement or in any proposed transaction that has materially affected The Corporation or which may materially affect the Resulting Issuer.

Auditors, Transfer Agents and Registrars

Auditors

It is intended that the auditor of the Resulting Issuer will be MNP LLP, at its office located at 111 Richmond Street West, Toronto, Ontario.

Transfer Agent and Registrar

It is intended that the registrar and transfer agent of the Resulting Issuer will be National Issuer Services Inc., at its Vancouver office located at 760 – 777 Hornby Street, Vancouver, B.C. V6Z 1S4.

Other Material Facts

There are no other material facts about the Corporation, BRB, the Resulting Issuer or the Transaction that are not disclosed under the preceding items in this Supplement or the Information Circular and are necessary in order for the Information Circular to contain full, true and plain disclosure of all material facts relating to the Corporation, BRB and the Resulting Issuer, assuming completion of the Transaction.

Management knows of no matters to come before the Meeting other than as set forth in this Supplement and the Information Circular. HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE FORM OF PROXY ENCLOSED WITH THE INFORMATION CIRCULAR WILL BE USED TO VOTE ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.

Additional Information

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com.

Directors' Approval

The contents and the sending of this Supplement have been approved by the directors of the Corporation.

DATED July 8, 2020.

**BY ORDER OF THE BOARD OF
DIRECTORS**

(Signed) "Charles Smith"

Charles Smith

President and Chief Executive Officer

Appendix "A"

Unaudited Pro-forma Condensed, Consolidated and Combined Financial Statements for the Fiscal Year Ended December 31, 2019 and for the Three Months Ended March 31, 2020

PRO FORMA CONDENSED, CONSOLIDATED AND COMBINED BALANCE SHEET AS OF MARCH 31, 2020 UNAUDITED

	Historical Contributed Interests		Historical Dixie	Adjustments	Note 4	Pro Forma
	Mary's	Other BR Brands				
Assets						
Current Assets:						
Cash	\$ 488,154	\$ 3,946,093	\$ 221,126	\$ -		\$ 4,655,374
Accounts receivable, net	1,652,655	177,905	3,793,319	(169,938)	D	5,453,941
Deferred contract costs	-	-	278,095	-		278,095
Inventories	1,963,349	241,055	2,045,821	198,006	A, D	4,448,231
Prepaid expenses and other receivables	5,263,591	1,925,287	528,262	(1,818,103)	D	5,899,036
Due from related parties	58,230	-	-	-		58,230
Notes receivable	-	250,000	-	(250,000)	G	-
Related party notes receivable	-	15,835,000	-	(15,835,000)	D	-
Total current assets	9,425,980	22,375,340	6,866,623	(17,875,035)		20,792,907
Non-current assets:						
Property and equipment, net	4,582,409	1,811,977	625,655	437,515	B	7,457,556
Related party advances and notes receivable, net	-	76,180	1,244,641	-		1,320,821
Advances to affiliates, net	-	-	701,388	-		701,388
Intangible assets, net	95,000	-	355,492	22,044,508	C	22,495,000
Other assets	15,932	2,172,620	-	-		2,188,552
Convertible note	-	5,700,000	-	-		5,700,000
Cost basis investment	-	5,268,767	-	-		5,268,767
Goodwill	-	-	-	4,043,039	E	4,043,039
Total assets	\$ 14,119,321	\$ 37,404,883	\$ 9,793,799	\$ 8,650,026		\$ 69,968,030
Liabilities and Shareholders' Equity						
Current liabilities						
Accounts payable	\$ 1,508,618	\$ 1,122,882	\$ 2,823,479	\$ (169,938)	D	\$ 5,285,040
Accrued payroll	285,245	45,505	323,874	-		654,624
Due to related parties	33,129	136,143	-	-		169,271
Short-term lease liability	284,751	8,606	-	-		293,356
Other accrued liabilities	5,827,592	220,341	8,495,380	(6,807,662)	D, F, G	7,735,651
Prepaid license fees	-	-	750,000	-		750,000
Related party debt, current portion	17,385,000	-	-	(15,835,000)	D	1,550,000
Notes payable, current portion	-	-	2,640,000	(250,000)	G	2,390,000
Taxes payable	1,484,036	-	-	-		1,484,036
Total current liabilities	26,808,369	1,533,477	15,032,733	(23,062,600)		20,311,979
Membership redemption notes payable	6,503,384	-	-	-		6,503,384
Notes payable	-	3,617,000	-	-		3,617,000
Senior secured debt	-	2,857,789	-	-		2,857,789
Long-term lease liability	1,215,391	-	-	-		1,215,391
Total non-current liabilities	7,718,775	6,474,789	-	-		14,193,564
Total liabilities	34,527,145	8,008,266	15,032,733	(23,062,600)		34,505,543
Contributed equity	(3,602,573)	31,254,630	49,933,247	(22,555,561)	H	55,029,743
Accumulated deficit	(16,805,251)	(1,909,751)	(53,579,532)	52,675,538	F, H	(19,618,996)
Non-Controlling interest	-	51,739	(1,592,648)	1,592,648	H	51,739
Total shareholders' equity	(20,407,825)	29,396,618	(5,238,933)	31,712,626		35,462,486
Total liabilities and shareholders' equity	\$ 14,119,320	\$ 37,404,884	\$ 9,793,799	\$ 8,650,026		\$ 69,968,030

**PRO FORMA CONDENSED, CONSOLIDATED AND COMBINED STATEMENT OF
OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2020
UNAUDITED**

	<u>Historical Contributed Interests</u>				Note 5	Pro Forma
	Mary's	Other BR Brands	Historical Dixie	Adjustments		
Revenues	\$ 2,334,663	\$ 271	\$ 4,094,234	\$ (11,456)	A	\$ 6,417,712
Cost of goods sold	1,502,803	2,682	2,350,260	46,460	C	3,902,205
Gross profit (loss)	831,860	(2,411)	1,743,974	(57,916)		2,515,507
Operating expenses:						
Sales and marketing	458,937	91,798	552,831	-		1,103,566
General and administrative expenses	371,975	1,194,850	2,777,578	(47,000)	D	4,297,404
Depreciation and amortization expense	71,806	6,862	43,353	393,775	B, C	515,796
Total operating expense	902,718	1,293,510	3,373,762	346,775		5,916,766
Loss from operations	(70,858)	(1,295,922)	(1,629,788)	(404,691)		(3,401,259)
Other expense:						
Interest (income) expense	552,429	8,100	791,318	(711,499)	E	640,348
Other (income) expense	105,573	4,540	(255,820)	-		(145,707)
Total other (income) expense	658,003	12,640	535,498	(711,499)		494,641
Income (loss) before provision for income taxes	(728,861)	(1,308,561)	(2,165,286)	306,808		(3,895,900)
Provision for income taxes	192,866	-	-	-	F	192,866
Net income (loss) before non-controlling interest	(921,727)	(1,308,561)	(2,165,286)	306,808		(4,088,766)
Non-controlling interest	-	(88,070)	(36,753)	-		(124,823)
Net income (loss) attributable to the company	\$ (921,727)	\$ (1,220,492)	\$ (2,128,533)	\$ 306,808		\$ (3,963,944)
Net loss per share (basic and diluted):						
Attributable to the company			\$ (0.02)			\$ (0.00)
Attributable to non-controlling interest			\$ (0.00)			\$ (0.00)
Weighted-average shares outstanding:						
Basic and diluted			126,492,726	887,495,667	G	1,013,988,393

**PRO FORMA CONDENSED, CONSOLIDATED AND COMBINED STATEMENT OF
OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED**

	<u>Mary's</u>	<u>BR Brands</u>	<u>Dixie</u>	<u>Adjustments</u>	<u>Note 5</u>	<u>Forma</u>
Revenues	\$ 22,569,602	\$ 79,067	\$ 11,096,959	\$ (294,938)	A	\$ 33,450,690
Cost of goods sold	16,913,500	75,517	6,564,698	268,320	A, B, D	23,822,035
Gross profit	5,656,102	3,550	4,532,261	(563,258)		9,628,655
Operating expenses:						
Sales and marketing	6,295,964	-	5,831,479	-		12,127,443
General and administrative expenses	7,585,325	1,938,386	16,867,144	47,000	E	26,437,855
Depreciation and amortization expense	708,678	19,585	513,978	1,234,535	C, D	2,476,776
Total operating expense	14,589,967	1,957,971	23,212,601	1,281,535		41,042,074
Operating income (loss)	(8,933,865)	(1,954,422)	(18,680,340)	(1,844,793)		(31,413,419)
Other expense:						
Interest (income) expense	1,427,526	(1,601,523)	2,034,926	(1,960,824)	F	(99,894)
Change in fair value of derivative liabilities	-	-	(238,100)	-		(238,100)
Other (income) expense	78,769	89,006	(38,150)	-		129,625
Total other (income) expense	1,506,295	(1,512,517)	1,758,676	(1,960,824)		(208,370)
Income (loss) before provision for income taxes	(10,440,160)	(441,905)	(20,439,016)	116,031		(31,205,050)
Provision for income taxes	643,173	-	-	-	G	643,173
Net income (loss) before non-controlling interest	(11,083,333)	(441,905)	(20,439,016)	116,031		(31,848,223)
Non-controlling interest	-	19,808	(298,927)	-		(279,119)
Net income (loss) attributable to the company	\$ (11,083,333)	\$ (461,713)	\$ (20,140,089)	\$ 116,031		\$ (31,569,104)
Net loss per share (basic and diluted):						
Attributable to the company			\$ (0.16)			\$ (0.03)
Attributable to non-controlling interest			\$ (0.00)			\$ (0.00)
Weighted-average shares outstanding:						
Basic and diluted			125,862,932	887,495,667	H	1,013,358,599

Note 1. Description of the Transaction

On April 21, 2020, the Corporation entered into the Contribution and Exchange Agreement with BRB providing for, among other things, the purchase by the Corporation from BRB of certain equity and debt interests of BRB in each of (a) BRB Mary's Holding Corp., (b) BZL Worldwide, Inc., (c) Eaze Technologies, Inc., (d) Edgewater Foods, Inc., and (e) Lost County, Inc., as set out in the table below:

<u>Entity</u>	<u>Number/Type of Security Contributed</u>
BRB Mary's Holding Corp.	4,500 common shares, or 100% of the company.
BZL Worldwide, Inc.	Secured convertible debt in an aggregate principal amount equal to \$5,700,000 pursuant to the Senior Secured Convertible Note dated as of May 14, 2019.
Edgewater Foods, Inc.	2,128.307487 common shares, or 87.23% of the company.
Lost County, Inc.	15,034 shares of common stock and 64,511 shares of Series A Preferred Stock (which shares comprise 69.3% of the issued and outstanding shares of the company, exclusive of unexercised warrants and options).
Eaze Technologies, Inc.	925,480 shares of Series C Preferred Stock.

Note 2. Basis of Pro Forma Presentation

The accompanying unaudited pro forma condensed, consolidated and combined financial statements were prepared using the acquisition method of accounting in accordance with IFRS 3, *Business Combinations*, and are based on the historical financial information of the Contributed Interests and Dixie.

The "Mary's" column in the pro forma condensed, consolidated and combined pro forma balance sheet and statement of operations represents the audited standalone consolidated financial statements of BRB Mary's Holding Corp. The "Other BR Brands" column represents the unaudited combined financial statements related to the Contributed Interests related to BZL Worldwide, Inc., Eaze Technologies, Inc. Edgewater Foods, Inc., Lost County, Inc. and the Contributed Liabilities.

The unaudited pro forma condensed, consolidated and combined financial statements give effect to the Transaction, which will be accounted for as a reverse acquisition, with the Contributed Interests, on a combined basis, treated as the acquiring company for accounting purposes. Accounting for the combination requires determining the acquiror for accounting purposes. This determination is based on the control principle within the consolidation guidance, which outlines three elements of control; power through voting rights, exposure or rights to variable returns, and decision-making authority. In concluding that Contributed Interests was the accounting acquirer, the parties considered that BRB, the former holder of the Contributed Interests, will hold 80% of the outstanding equity of the Resulting Issuer, giving BRB the majority of the Corporation's voting rights and therefore substantial decision making power.

Consideration

Pursuant to the terms of the Contribution and Exchange Agreement, the legal acquirer, the Corporation, will issue a number of subordinate voting shares of the Corporation in accordance with the Exchange Ratio, such that the BRB and the former shareholders of the Corporation will own 80% and 20% of the outstanding equity of the Resulting Issuer, respectively. The consideration transferred used for purposes of the pro forma financial information is based on management's evaluation of the fair value of the Contributed Interests that would have been issued to the owners of the legal acquirer, the Corporation, in order to provide the same ratio of ownership of equity interests in the Resulting Issuer as a result of the reverse acquisition. This analysis results in the fair value of the consideration transferred to equal the fair value of the Corporation. The preliminary estimate of consideration transferred reflected in these pro forma financial statements is approximately \$27.4 million, based on 202,797,679 subordinate voting shares of the Corporation and a \$0.135 share price. The preliminary fair value of the Corporation's non-controlling interests is estimated to be \$0.

Fair Value Estimates of Assets to be Acquired and Liabilities to be Assumed

The table below represents an initial allocation of the consideration transferred to the Corporation's tangible and intangible assets acquired and liabilities assumed based on management's preliminary estimate of their respective fair values as of March 31, 2020:

	<u>Historical</u>	<u>Fair Value Adjustment</u>	<u>Fair Value</u>
Preliminary consideration			\$ 27,377,687
Inventory	2,045,821	227,000	2,272,821
All other current assets	4,820,802	-	4,820,802
Property and equipment	625,655	437,515	1,063,170
Intangible assets	355,492	22,044,508	22,400,000
All other long-term assets	1,946,029	-	1,946,029
Total assets	9,793,799	22,709,023	32,502,822
Accounts payable	2,823,479	-	2,823,479
Other accrued liabilities	2,630,822	-	2,630,822
All other liabilities	3,713,874	-	3,713,874
Total liabilities	9,168,174	-	9,168,174
Fair value of net assets			23,334,648
Goodwill			\$ 4,043,039

The allocation of the estimated purchase price is preliminary as the Transaction has not yet been completed and will remain preliminary pending finalization of the valuation of assets acquired and liabilities assumed. Because the pro forma financial statements have been prepared based on preliminary estimates of fair values, the actual amounts eventually recorded for the Transaction, including goodwill, may differ materially from the information presented.

The unaudited pro forma condensed, consolidated and combined financial statements are presented for illustrative purposes only and do not reflect the costs of any integration activities, other acquisitions and disposals not yet known or probable, including those that may be required by

regulatory and governmental authorities in connection with the Transaction, or benefits that may result from realization of future cost savings due to operating efficiencies or revenue synergies expected to result from the Transaction.

The unaudited pro forma condensed, consolidated and combined statements of operations combine the historical combined statements of operations of the Contributed Interests and consolidated statement of operations of Dixie for the year ended December 31, 2019 and the three months ended March 31, 2020, giving effect to the Transaction as if it had been consummated on January 1, 2019.

The unaudited pro forma condensed, consolidated and combined balance sheet combines the historical combined balance sheets of the Contributed Interests and consolidated balance sheets of Dixie as of March 31, 2020, giving effect to the Transaction as if it had been consummated on March 31, 2020.

Note 3. Accounting Policy

A preliminary review of accounting policies of the Contributed Interests and Dixie has not identified any differences in accounting policies that have been applied historically. The financial statement line item presentation has been conformed to the intended presentation of the Resulting Issuer. However, this is subject to additional review as the Resulting Issuer accounts for the Transaction and may differ from the final presentation reported in the Resulting Issuer's future periodic reports.

Note 4. Adjustments to the Pro Forma Balance Sheet

The following adjustments represent pro forma adjustments to the balance sheet as of March 31, 2020 to reflect the impact of the Transaction:

- A. Represents the adjustment to reflect the preliminary fair value of acquired inventories.
- B. Represents the adjustment to reflect the preliminary fair value of acquired property and equipment.
- C. Represents the adjustment to reflect the preliminary fair value of acquired intangible assets. The preliminary estimate of the fair value of intangibles assets acquired includes:

<u>Intangible Asset</u>	<u>Fair Value</u>	<u>Estimated Useful Life (Years)</u>
Trademarks	\$ 9,700,000	12
Formulations	7,400,000	10
Licensing Agreements	<u>5,300,000</u>	12
	<u>\$ 22,400,000</u>	

- D. Represents certain assets and liabilities of the Contributed Interests that eliminate upon consolidation of the Resulting Issuer.
- E. Represents the excess of the preliminary consideration over the preliminary fair value of the assets acquired and liabilities assumed reflected as goodwill.
- F. Represents accrual of an estimated \$1.2 million of Transaction-related expenses and professional fees that are expected to be incurred that are directly related to the Transaction.

- G. Represents settlement of BRB Bridge Note and amounts due pursuant to the 2019 Therabis Purchase Agreement, including principle and accrued interest.
- H. The following represent the pro forma adjustments impacting equity (amounts in millions):
- **Historical Equity:** Elimination of Dixie’s historical contributed equity and accumulated deficit
 - **Consideration:** Preliminary fair value of equity consideration of \$27.4 million
 - **NCI:** Adjustment to reflect Dixie non-controlling interest at fair value

Note 5. Adjustments to the Pro Forma Statement of Operations

For the three months ended March 31, 2020

The following adjustments represents pro forma adjustments to the statement of operations for the three months ended March 31, 2020 to reflect the impact of the Transaction:

- A. Represents intercompany eliminations between the Contributed Interests
- B. Estimated increase in depreciation expense related to the preliminary fair value adjustment to property and equipment acquired.

Depreciation expense, adjusted	\$	50,045
Depreciation expense, historical		(43,353)
Pro forma adjustment	\$	6,692

- C. Estimated increase in amortization expense related to the preliminary fair value adjustment related to acquired intangible assets. Adjustment to cost of goods sold reflects additional amortization expense related to amortization of acquired Licensing Agreements intangible asset. Adjustment to depreciation and amortization reflects amortization related to acquired Trademarks and Formulations intangible assets.

<i>Adjustment to cost of goods sold:</i>		
Amortization expense, adjusted	\$	110,417
Amortization expense, historical		(63,957)
Pro forma adjustment	\$	46,460
<i>Adjustment to depreciation and amortization:</i>		
Amortization expense, adjusted	\$	387,083
Amortization expense, historical		-
Pro forma adjustment	\$	387,083

- D. Represents adjustment for transaction-related expenses and professional fees that are directly related to the Transaction.
- E. Elimination of interest expense related to the BR Bridge Note and amounts due pursuant to the 2019 Therabis Purchase Agreement.
- F. The pro forma statement of operations does not include an impact to income tax provision due to Dixie’s full valuation allowance and history of losses.

- G. Represents the increase in the weighted average shares due to the issuance of an estimated 887,495,667 shares of Dixie, which represents shares issued in satisfaction of the Secured BR Bridge Note and Therabis 2019 Payable and shares issued to BR Brands in connection with the Transaction.

For the year ended December 31, 2019

The following adjustments represent pro forma adjustments to the statement of operations for the year ended December 31, 2019 to reflect the impact of the Transaction:

- A. Represents intercompany eliminations between the Contributed Interests
- B. Represents increase to cost of goods sold to reflect the preliminary fair value adjustment to inventory acquired.
- C. Estimated decrease in depreciation expense related to the preliminary fair value adjustment to property and equipment acquired.

Depreciation expense, adjusted	\$ 200,180
Depreciation expense, historical	<u>(513,978)</u>
Pro forma adjustment	\$ (313,798)

- D. Estimated increase in amortization expense related to the preliminary fair value adjustment related to acquired intangible assets. Adjustment to cost of goods sold reflects additional amortization expense related to amortization of acquired License Agreement intangible asset. Adjustment to depreciation and amortization reflects amortization related to acquired Trademarks and Formulations intangible assets.

<i>Adjustment to cost of goods sold:</i>	
Amortization expense, adjusted	\$ 441,667
Amortization expense, historical	<u>(255,827)</u>
Pro forma adjustment	\$ 185,840
<i>Adjustment to depreciation and amortization:</i>	
Amortization expense, adjusted	\$ 1,548,333
Amortization expense, historical	<u>-</u>
Pro forma adjustment	\$ 1,548,333

- E. Represents adjustment for transaction-related expenses and professional fees that are directly related to the Transaction.
- F. Elimination of interest expense related to the BR Bridge Note and amounts due pursuant to the 2019 Therabis Purchase Agreement.
- G. The pro forma statement of operations does not include an impact to income tax provision due to Dixie's full valuation allowance and history of losses.
- H. Represents the increase in the weighted average shares due to the issuance of an estimated 887,495,667 shares of Dixie, which represents shares issued in satisfaction of the Secured BR Bridge Note and Therabis 2019 Payable and shares issued to BR Brands in connection with the Transaction.