

A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in each of the provinces of British Columbia, Alberta and Ontario, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the securities regulatory authorities.

This prospectus is a preliminary short form base shelf prospectus. This preliminary short form base shelf prospectus has been filed under legislation in the provinces of British Columbia, Alberta and Ontario that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This preliminary short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws. Accordingly, these securities may not be offered or sold within the United States or to a U.S. Person (as such terms are defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. This short form base shelf prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States of America. See "Plan of Distribution".

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Tidal Royalty Corp. at Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2 telephone, (604) 687-2038, and are also available electronically at www.SEDAR.com.

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue

August 9, 2018



TIDAL ROYALTY CORP.
\$200,000,000
COMMON SHARES
PREFERRED SHARES
DEBT SECURITIES
SUBSCRIPTION RECEIPTS
WARRANTS
UNITS

Tidal Royalty Corp. (the "**Company**" or "**RLTY**") may from time to time offer and issue the following securities: (i) common shares ("**Common Shares**"); (ii) preferred shares of any series ("**Preferred Shares**"); (iii) senior or subordinated secured or unsecured debt securities (collectively, "**Debt Securities**"), including debt securities convertible or exchangeable into other securities of the Company; (iv) subscription receipts ("**Subscription Receipts**"); (v) warrants ("**Warrants**"); and (vi) units (the "**Units**") comprised of one or more of the other securities described in this Prospectus, or any combination of such securities (the Units, Common Shares, Preferred Shares, Debt Securities, Subscription Receipts and Warrants, collectively, the "**Securities**"), having an aggregate offering price of up to \$200,000,000 (or its equivalent in United States dollars or any other currencies) in one or more transactions, during the 25 month period that this short form base shelf prospectus (the "**Prospectus**"), including any amendments hereto, remains effective. Securities may be offered separately or together or in any combination, in amounts, at prices and on terms to be determined based on market conditions at the time of sale

and set forth in an accompanying prospectus supplement (a "**Prospectus Supplement**").

No underwriter or agent has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.

The specific variable terms of any offering of Securities will be set out in the applicable Prospectus Supplement including, where applicable: (i) in the case of Common Shares, the persons(s) offering the Common Shares, the number of Common Shares offered and the offering price (or the manner of determination thereof if offered on a non-fixed price basis); (ii) in the case of the Preferred Shares, the designation of the particular series, aggregate principal amount, the number of Preferred Shares offered, the issue price, the dividend rate, the dividend payment dates, any terms for redemption at the option of the Company or the holder, any exchange or conversion terms and any other specific terms; (iii) in the case of the Debt Securities, the specific designation of the Debt Securities, whether such Debt Securities are senior or subordinated, the aggregate principal amount of the Debt Securities being offered, the currency or currency unit in which the Debt Securities may be purchased, authorized denominations, any limit on the aggregate principal amount of the Debt Securities of the series being offered, the issue and delivery date, the maturity date, the offering price (at par, at a discount or at a premium), the interest rate or method of determining the interest rate, the interest payment date(s), any conversion or exchange rights that are attached to the Debt Securities, any redemption provisions, any repayment provisions and any other specific terms; (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), the procedures for the exchange of Subscription Receipts for Common Shares, Debt Securities or other Securities, as the case may be, the currency or currency unit in which the Subscription Receipts are issued and any other specific terms; (v) in the case of Warrants, the designation, number and terms of the Common Shares, Debt Securities or other Securities purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of those numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; and (vi) in the case of Units, the designation and terms of the Units and of the Securities comprising the Units, the currency or currency unit in which the Units are issued and any other specific terms. A Prospectus Supplement may include other specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The Company may sell the Securities to or through underwriters or dealers purchasing as principals and may also sell the Securities to one or more purchasers directly subject to obtaining any required exemptive relief or through agents. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, if any, engaged by the Company in connection with the offering and sale of Securities and will set forth the terms of the offering of such Securities, the method of distribution of such Securities including, to the extent applicable, the proceeds to us, and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution. Securities may be sold from time to time in one or more transactions at a fixed price or fixed prices, or at non-fixed prices. If offered on a non-fixed price basis, Securities may be offered at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers at the time of sale, which prices may vary between purchasers and during the period of distribution. If Securities are offered on a non-fixed price basis, the

underwriters', dealers' or agents' compensation will be increased or decreased by the amount by which the aggregate price paid for Securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriters, dealers or agents to us. See "**Plan of Distribution**".

Subject to applicable laws, in connection with any offering of Securities, the underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities at levels other than those which may prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See "**Plan of Distribution**".

The outstanding Common Shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol "RLTY.U". **Unless otherwise specified in the applicable Prospectus Supplement, Securities other than the Common Shares will not be listed on any securities exchange. There is currently no market through which the Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units may be sold and purchasers may not be able to resell any Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units purchased under this Prospectus. This may affect the pricing of these securities in the secondary market, the transparency and availability of trading prices, the liquidity of these securities and the extent of issuer regulation. See "Risk Factors" below and the "Risk Factors" section of the applicable Prospectus Supplement.**

The Company's head and registered offices are located at Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Securities are subject to certain risks. The risk factors included or incorporated by reference in this Prospectus should be carefully reviewed and considered by holders in connection with an acquisition of Securities. See "Notice to Investors –Forward-Looking Information" and "Risk Factors" in this Prospectus and in the AIF (as defined herein).

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NOTICE TO READERS

About this Short Form Base Shelf Prospectus

Readers should rely only on the information contained in this Prospectus (including the documents incorporated by reference or in any applicable Prospectus Supplement) and should not rely on some parts of the Prospectus to the exclusion of others. The Company has not authorized any person to provide holders of the Securities with additional or different information. Readers should take caution if anyone provides holders of the Securities with additional, different or inconsistent information, including information or statements in media articles about the Company. We are not making an offer to sell or seeking an offer to buy the Securities offered pursuant to this Prospectus in any jurisdiction where the offer or sale is not permitted. The information contained in this Prospectus, or any Prospectus Supplement and the documents incorporated by reference herein and therein is accurate only as of the date of such document, regardless of the time of delivery of this Prospectus or any Prospectus Supplement. The business, financial condition, results of operations and prospects of the Company may have changed since those dates. Readers are urged to consult their own professional advisors in connection therewith. In this Prospectus and in any Prospectus Supplement, unless the context otherwise requires, references to "we", "us", "our" or similar terms, as well as references to "Tidal" or the "Company", refer to Tidal Royalty Corp.

This Prospectus shall not be used by anyone for any purpose other than in connection with an offering of Securities as described in one or more Prospectus Supplements. We do not undertake to update the information contained or incorporated by reference herein, including any Prospectus Supplement, except as required by applicable securities laws. Information contained on, or otherwise accessed through, our website shall not be deemed to be a part of this Prospectus and such information is not incorporated by reference herein.

Forward-Looking Information

This Prospectus and the documents incorporated by reference herein contain certain statements which contain "**forward-looking information**" within the meaning of Canadian securities legislation (each a "**forward-looking statement**"). No assurance can be given that the expectations in any forward-looking statement will prove to be correct and, as such, the forward-looking statements included in this Prospectus or any Prospectus Supplement should not be unduly relied upon. Forward-looking information is by its nature prospective and requires the Company to make certain assumptions and is subject to inherent risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential", "capable", "budget", "*pro forma*" and similar expressions are intended to identify forward-looking statements. Forward-looking statements include, among others, statements pertaining to:

- the available funds of the Company and the anticipated use of such funds;
- the availability of financing opportunities;
- the completion of future offerings of Securities and receipt of all regulatory approvals in connection therewith;
- the completion of future financing arrangements;
- the performance of the Company's business and operations;
- applicable laws, regulations and any amendments thereto including, but not limited to, the legalization of cannabis in the U.S. and the timing thereof;
- the competitive and business objectives of the Company;
- the investment policy of the Company;

- statements related to the effect and consequences of certain regulatory initiatives;
- the expected growth of the U.S. cannabis sector;
- the competitive conditions of the U.S. cannabis industry; and
- the Company's financing activities in the U.S. and consequences related to those financings under U.S. federal law.

The forward-looking statements in this Prospectus are based on information currently available and what management believes are reasonable assumptions. Forward-looking statements speak only to such assumptions as of the date of this Prospectus. In addition, this Prospectus may contain forward-looking statements attributed to third party industry sources, the accuracy of which has not been verified by the Company. The purpose of forward-looking information is to provide the reader with a description of management's expectations, and such forward-looking information may not be appropriate for any other purpose. Readers should not place undue reliance on forward-looking information contained in this Prospectus or in any Prospectus Supplement. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. A number of factors could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking statements in this Prospectus or in any Prospectus Supplement including, but not limited to, whether:

- the Company's ability to execute its investment strategy on acceptable terms, including its ability to identify potential investments and to successfully negotiate the terms of such investments;
- need for additional capital to expand operations;
- dependence on key personnel;
- the Company's reliance upon a limited number of revenue sources;
- ability to manage planned growth and integrate news business opportunities into existing operations.

Such factors are discussed in more detail under the heading "**Risk Factors**" in this Prospectus and in the AIF (as defined herein). New factors emerge from time to time, and it is not possible for management to predict all of those factors or to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements and are made as of the date of this Prospectus. Except as may be required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date of this Prospectus or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise. Holders of the Securities should read this entire Prospectus, and each applicable Prospectus Supplement, and consult their own professional advisors to ascertain and assess the income tax and legal risks and other aspects associated with holding Securities.

CURRENCY PRESENTATION AND FINANCIAL INFORMATION

Unless otherwise indicated, all references to monetary amounts in this Prospectus are denominated in Canadian dollars. The financial statements of the Company incorporated herein by reference are reported in Canadian dollars and are prepared in accordance with International Financial Reporting Standards.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed by the Company with Securities Commissions or similar authorities in Canada are available under the Company's profile on SEDAR at www.sedar.com and are specifically incorporated by reference into this Prospectus:

- a) the annual information form of the Company for the financial year ended July 31, 2017 dated July 10, 2018 (the "**AIF**");
- b) the audited financial statements of the Company as at and for the financial year ended July 31, 2017 and 2016, together with the notes thereto and the report of independent auditors thereon (the "**Annual Financial Statements**");
- c) management's discussion and analysis of the Company relating to the Annual Financial Statements (the "**Annual MD&A**");
- d) the unaudited condensed interim financial statements of the Company for the three and nine month periods ended April 30, 2018 and 2017, together with the notes thereto (the "**Interim Financial Statements**");
- e) management's discussion and analysis of the Company relating to the Interim Financial Statements (the "**Interim MD&A**");
- f) the management information circular and proxy materials pertaining to the Company, dated August 4, 2017 distributed in connection with an annual general and special meeting of shareholders of the Company held on September 5, 2018;
- g) the material change report of the Company dated June 12, 2018 in respect of the closing of a first, second and third tranche non-brokered special warrant private placement and the conversion of the first tranche special warrants into units;
- h) the material change report of the Company dated June 12, 2018 in respect of the closing of a non-brokered private placement of common shares;
- i) the material change report of the Company dated June 26, 2018 in respect of the listing of the Company's Common Shares on the Canadian Securities Exchange; and
- j) the material change report of the Company dated June 27, 2018 in respect of the appointment of Brian Penny to its board of directors and audit committee.

Any documents of the type required by National Instrument 44-101 – Short Form Prospectus Distributions ("**NI 44-101**") to be incorporated by reference in a short form prospectus, including those types of documents referred to above and press releases issued by the Company specifically referencing incorporation by reference into this Prospectus, if filed by the Company with the provincial securities commissions or similar authorities in Canada after the date of this Prospectus and before the expiry of this Prospectus, are deemed to be incorporated by reference in this Prospectus.

A Prospectus Supplement containing the specific terms of any offering of our Securities will be delivered to purchasers of our Securities together with this Prospectus and will be deemed to be incorporated by reference in

this Prospectus as of the date of the Prospectus Supplement and only for the purposes of the offering of our Securities to which that Prospectus Supplement pertains.

Documents referenced in any of the documents incorporated by reference in this Prospectus but not expressly incorporated by reference therein or herein and not otherwise required to be incorporated by reference therein or in this Prospectus are not incorporated by reference in this Prospectus.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, in any Prospectus Supplement hereto or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein, modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it is made.

When we file a new annual information form and audited consolidated financial statements and related management discussion and analysis with and, where required, they are accepted by, the applicable securities regulatory authorities during the time that this Prospectus is effective, the previous annual information form, the previous audited consolidated financial statements and related management discussion and analysis and all unaudited interim consolidated financial statements and related management discussion and analysis for such periods, all material change reports and any information circular and business acquisition report filed prior to the commencement of our financial year in which the new annual information form is filed will be deemed to no longer be incorporated by reference in this Prospectus for purposes of future offers and sales of Securities under this Prospectus. Upon new interim financial statements and the accompanying management's discussion and analysis being filed by us with the applicable securities regulatory authorities during the term of this Prospectus, all interim financial statements and accompanying management's discussion and analysis filed prior to the filing of the new interim financial statements will be deemed to no longer be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

THE COMPANY

The Company was incorporated pursuant to the *Business Corporations Act* (British Columbia) on March 12, 1980 as Treminco Resources Ltd. On February 19, 1999 we changed our name to Elkhorn Gold Mining Corporation; on October 12, 2011 we changed our name to Tulloch Resources Ltd.; and effective July 18, 2017 we changed our name to Tidal Royalty Corp.

Our head office, and our registered and records office, is located at Suite 810 – 789 West Pender Street, Vancouver, British Columbia V6C 1H2.

We are a reporting issuer in each of British Columbia and Ontario; and our Common Shares are listed for trading on the CSE.

SUMMARY DESCRIPTION OF THE COMPANY'S BUSINESS

General

The Company is a publicly traded life sciences company with a focus on financing in businesses that pertain in any way to cannabis which is carried out in compliance with applicable U.S. state laws (“**legal cannabis industry**”). The Company anticipates entering into financing arrangements involving royalties, debt and other forms of investments in private and public companies in the U.S. legal cannabis industry.

The Company’s business objective is to provide capital solutions to companies in the legal cannabis industry with large-scale potential and a highly-skilled and experienced management team, in exchange for a royalty. The Company is actively pursuing opportunities to provide expansion capital to licensed, qualified operators across multiple industry verticals, including cultivation, processing, distribution. An investment in Tidal Royalty will allow shareholders to participate in the broader U.S. cannabis market’s growth while diversifying against specific operational risks.

Composition of Investment Portfolio

The nature and timing of the Company’s investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company. The Company expects its investment activities will be primarily focused on enterprises located in the United States, although investments may extend globally (including the purchase of securities listed on foreign stock exchanges). The Company expects to invest solely in the cannabis sector. The Company believes that any risk of limited diversification may be mitigated by closely monitoring its investments. The actual composition of the Company’s investment portfolio will vary over time depending on its assessment of a number of factors, including the performance of U.S. cannabis markets and credit risk.

Investment Objectives

The principal investment objectives of the Company are as follows:

- to seek high return investment opportunities by providing project-specific financing to public and private companies through a range of investment instruments;
- to identify early stage opportunities with attractive risk/reward ratios;
- to preserve its capital and limit the downside risk of its capital;
- to achieve a reasonable rate of capital appreciation;
- to minimize the risk associated with investments by obtaining appropriate security, where possible; and
- to generate predictable cash-flow.

The Company’s investment objectives, investment strategy and investment restrictions may be amended from time to time on the recommendation of senior management and approval by the board of directors (the “**Board**”). The Company does not anticipate the declaration of dividends to shareholders at this time and plans to re-invest the profits of its investments to further the growth and development of the Company’s investment portfolio.

Business Developments

Between 1985 and 2000, the Company was involved in mineral exploration and was listed initially on the Vancouver Stock Exchange (as it was then known) and subsequently on the Toronto Stock Exchange (TSE). On September 4, 2001, the Company’s shares were delisted from the TSE for failure to meet the continued listing

requirements of the TSE. Cease trade orders were imposed on the Company by the British Columbia and Ontario Securities Commissions (the “**Commissions**”) on January 3, 2002 and January 11, 2002, respectively. Between April 2001 and July 2010, the Company was inactive and did not carry on any business. On October 11, 2011, the Company changed its name to Tulloch Resources Ltd.

On January 16, 2012, the Commissions issued revocation orders in respect to the prior cease trade orders. Between 2012 and 2016, the Company undertook three equity financings, raising an aggregate of \$125,000, through distributions of Common Shares for purposes of paying expenses involved in searching for new business opportunities, and general and administrative costs. From 2014 to 2017, the Company identified and reviewed a number of potential opportunities but did not proceed with any project. The Company was essentially inactive from 2001 to 2017.

In July 2017, the Company changed its business focus to the U.S. legal cannabis industry, and took the following steps to develop its new business:

1. retained new management with a track record in the U.S. legal cannabis industry;
2. changed the name of the Company to Tidal Royalty Corp;
3. consolidated its outstanding Common Shares on the basis of one new Common Share for every three outstanding Common Shares;
4. received shareholders’ approval to a change of business from mineral exploration to cannabis;
5. adopted a new investment policy;
6. raised gross proceeds of \$6,459,000 pursuant to a non-brokered private placement of 129,180,000 Special Warrants at \$0.05 per Special Warrant;
7. commenced trading of its Common Shares on the CSE under the symbol “RLTY”;
8. raised gross proceeds of \$2,000,000 pursuant to a non-brokered private placement of 40,000,000 preferred share units at \$0.05 per preferred share; and
9. raised gross proceeds of \$31,137,159 pursuant to a non-brokered private placement of 94,355,027 Common Shares at \$0.33 per Common Share.

Investment Policy

The Company adopted an investment policy involving making investments in private and public companies involved in the U.S. legal cannabis industry. While the Company is in discussions to enter into various financing arrangements, it should be noted that (i) no contracts have been entered into as of the date hereof, and (ii) as such there is no guarantee the Company will make any investments in U.S. cannabis-related businesses, or, if made, that any such investments will be profitable.

Financings

On July 26, 2017, the Company consolidated its share capital on a one-for-three basis. All share and per share information have been restated to retroactively reflect this consolidation for all periods presented.

Special Warrant Financing

The Company recently completed a non-brokered private placement (the “**Placement**”) of special warrants (“**Special Warrants**”) at \$0.05 per Special Warrant in three tranches. Under the terms of the Placement, each Special Warrant converts to one unit (the “**Units**”) four months after closing of each tranche of the Placement.

Each Unit consists of one Common Share and one Common Share purchase warrant (a “**Warrant**”). Each Warrant entitles the holder thereof to acquire an additional Common Share at \$0.05 for a period of 24 months from the date the Special Warrants were initially issued.

On February 8, 2018, the Company closed the first tranche of the Placement through the issuance of 59,370,000 Special Warrants (the “**First Tranche Special Warrants**”) for gross proceeds of \$2,968,500. The Company also issued 3,757,000 special warrants to arm’s length finders (“**Finder’s Special Warrants**”), each convertible to Common Shares and Warrants on the same terms as the Units sold under the Placement.

On March 1, 2018, the Company closed the second tranche of the Placement through the issuance of 57,120,000 Special Warrants (the “**Second Tranche Special Warrants**”) for gross proceeds of \$2,856,000. The Company also issued 5,292,000 Finder’s Special Warrants to arm’s length finders.

On April 30, 2018, the Company closed the third and final tranche of the Placement through the issuance of 12,690,000 Special Warrants (the “**Third Tranche Special Warrants**”) for gross proceeds of \$634,500. The Company also issued 1,220,000 Finder’s Special Warrants to arm’s length finders.

In connection with the Placement, the Company paid finders’ fees in the amount of \$380,000 in cash and incurred legal costs of \$75,000.

The First Tranche Special Warrants and related Finder’s Special Warrants converted to Units on June 8, 2018. The Second Tranche Special Warrants and related Finder’s Special Warrants converted to Units on July 1, 2018. The Third Tranche Special Warrants and related Finder’s Special Warrants will convert to Units on August 30, 2018.

Preferred Share Financing

On May 25, 2018, the Company closed a non-brokered private placement by issuing 40,000,000 Series 1 Convertible Preferred Share Units (the “**Preferred Share Units**”) at \$0.05 per Preferred Share Unit for gross proceeds of \$2,000,000. Each Preferred Share Unit consists of one Series 1 Convertible Preferred Share (a “**Preferred Share**”) in the capital of the Company and one transferable preferred share purchase warrant (a “**Preferred Warrant**”). Each Preferred Warrant entitles the holder thereof to acquire a Preferred Share in the share capital of the Company at \$0.05 for a period of two years. The Company issued 4,000,000 Finder’s Special Warrants in connection with the placement. Each Finder’s Special Warrant converts four months following the date of closing to one Unit, which will be comprised of one Common Share and one Warrant. Each Warrant will entitle the holder thereof to acquire one additional Common Share in the capital of the Company at \$0.05, for a period of 24 months from issuance of the Warrant.

Common Share Financing

On June 12, 2018, the Company closed a non-brokered private placement of Common Shares at \$0.33 per Common Share; issuing 94,355,026 Common Shares for gross proceeds of \$31,137,159. The Company also issued 5,159,765 finders’ warrants (“**Finder’s Warrants**”) that entitle the holder thereof to acquire one Common Share in the capital of the Company per Finder’s Warrant at \$0.33 for a period of two years from issuance; and paid cash finder’s fees in the amount of \$1,742,302 to arm’s length parties.

New Management

New directors and officers of the Company were appointed as follows:

Paul Rosen

Chief Executive Officer and Director

Terry Taouss	President
Theo van der Linde	Chief Financial Officer, Corporate Secretary and Director
Courtland Livesley-James	VP Strategy
Brendan Purdy	Director
Brian Penny	Director
Stuart Wooldridge	Director

The applicable Prospectus Supplement will describe any material change, and the effect of such material change, on the share and loan capitalization of the Company that will result from the issuance of Securities pursuant to such Prospectus Supplement.

Stock Options

On June 22, 2018, the Company granted, in aggregate, 16,468,727 incentive stock options (“**Options**”), to various directors, officers and consultants of the Company. The Options are exercisable at \$0.33 per Common Share for a term of five years expiring on June 22, 2023.

CSE Listing

On June 25, 2018, the Company’s Common Shares were approved for listing on the Canadian Securities Exchange (“**CSE**”) under the same trading symbol “RLTY”. On June 29, 2018, on request from the Company, the Common Shares of the Company begun trading in U.S. funds instead of Canadian funds under the new symbol, “RLTY.U”.

SHARE STRUCTURE

As of the date of this Prospectus, the authorized capital of the Company consists of an unlimited number of Common Shares without par value, an unlimited number of Preferred Shares without par value and an unlimited number of Series 1 Convertible Preferred Shares without par value. As of the date of this Prospectus, the Company had 227,787,661 Common Shares, nil Preferred Shares and 40,000,000 Series 1 Convertible Preferred Shares issued and outstanding.

The Series 1 Convertible Preferred Shares have the following rights and restrictions: (i) they are non-voting; (ii) they are convertible into Common Shares on a one-for-one basis, subject to customary adjustments; (iii) they are eligible to participate in dividends if and when declared on the Common Shares; (iv) they have priority rights on liquidation; and (v) they are subject to a restriction that no holder of the Preferred Shares may convert into a number of Common Shares that would result in such holder beneficially owning greater than 9.99% of the Common Shares.

CONSOLIDATED CAPITALIZATION

There has been no material changes in the share or loan capital of the Company on a consolidated basis since April 30, 2018, the date of the Interim Financial Statements, except the following:

- Subsequent to April 30, 2018, 5,050,000 warrants from the Placement were exercised at a price of \$0.05 per warrant for total proceeds of \$252,500.

- On May 25, 2018, the Company completed a private placement by issuing 40,000,000 Preferred Share Units at \$0.05 per Preferred Share Unit for gross proceeds of \$2,000,000. The Company issued 4,000,000 Finder's Special Warrants in connection with the placement. See "**Preferred Share Financing**".
- On June 8, 2018, 59,370,000 First Tranche Special Warrants and 3,757,000 Finder's Special Warrants automatically converted into Units.
- On June 12, 2018, the Company completed a private placement offering for 94,355,026 Common Shares at a price of \$0.33 per Common Share for gross proceeds of \$31,137,159. The Company also issued 5,159,765 Finders' Warrants that entitle the holder thereof to acquire one Common Share in the capital of the Company per Finder's Warrant at \$0.33 for a period of two years. See "**Common Share Financing**".
- On July 1, 2018, 57,120,000 Second Tranche Special Warrants and 5,292,000 Finder's Special Warrants automatically converted into Units.

EARNINGS COVERAGE RATIOS

If we offer Debt Securities having a term to maturity in excess of one year under this Prospectus and any applicable Prospectus Supplement, the applicable Prospectus Supplement will include earnings coverage ratios giving effect to the issuance of such Securities.

USE OF PROCEEDS

Unless otherwise specified in a Prospectus Supplement, the net proceeds from the sale of the Securities are principally intended to fund the Company's working capital requirements and to expand the Company's investment business, as more particularly described under the headings "**Investment Objectives**" and "**Investment Strategy**" of the AIF. Specific information about the use of net proceeds of any offering of Securities under this Prospectus will be set forth in the applicable Prospectus Supplement.

The above-noted allocation represents the Company's intention with respect to its use of proceeds based on current knowledge and planning by management of the Company (excluding potential contingencies and any deficiencies). Actual expenditures may differ from the estimates set forth above. There may be circumstances where, for sound business reasons, a reallocation may be deemed prudent or necessary. Pending actual expenditures, the Company may invest the funds in short-term, investment grade, interest-bearing securities, in government securities or in bank accounts at the discretion of management. The Company cannot predict whether the proceeds invested will yield a favourable return. See "**Risk Factors**" in the AIF and "**Risks Factors**" in the Interim MD&A for the period ended April 30, 2018.

There is no assurance the Company will be able to grow its investment business using the investment objectives and strategy currently utilized and there is no guarantee that the Company will make any investments in companies involved in the U.S. legal cannabis industry or otherwise, or that any such investments will be profitable. See "**Risk Factors**" in the AIF and "**Risks Factors**" in the Interim MD&A for the period ended April 30, 2018.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Common Shares

The holders of Common Shares are entitled to one vote per Common Share at all meetings of the shareholders of the Company either in person or by proxy. The holders of Common Shares are also entitled to dividends, if and when declared by the directors of the Company, and the distribution of the residual assets of the Company in the event of a liquidation, dissolution or winding up of the Company.

All Common Shares rank equally as to all benefits which might accrue to the holders thereof, including the right to receive dividends, voting powers, and participation in assets and in all other respects, on liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other disposition of the assets of the Company among its shareholders for the purpose of winding up its affairs after the Company has paid out its liabilities. The Common Shares are not subject to any call or assessment rights, any pre-emptive rights, any conversion or any exchange rights. The Common Shares are not subject to any redemption, retraction, purchase for cancellation, surrender, sinking or purchase fund provisions. Additionally, the Common Shares are not subject to any provisions permitting or restricting the issuance of additional securities and any other materials restrictions or any provisions requiring a securityholder to contribute additional capital to the Company.

Preferred Shares

The following sets forth certain general terms and provisions of the Preferred Shares. The particular terms and provisions of a series of Preferred Shares offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Preferred Shares, will be described in the applicable Prospectus Supplement. One or more series of Preferred Shares may be sold separately or together with Common Shares, Debt Securities, Subscription Receipts, Warrants or Units under this Prospectus, or on conversion or exchange of any such Securities.

The Company is currently authorized to issue an unlimited number of Preferred Shares. Subject first to obtaining all necessary corporate and regulatory approvals, it is proposed that the Preferred Shares will be issued from time to time in one or more series, and that the Company's board of directors will be authorized to fix, before the issuance thereof, the number of Preferred Shares of each series, the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of each series, including, without limitation, any voting rights, any right to receive dividends (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms and conditions of redemption or purchase, any conversion rights, and any rights on the liquidation, dissolution or winding-up of the Company, any sinking fund or other provisions, the whole to be subject to the issuance of a certificate of amendment setting forth the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of the series.

This section describes the general terms that will apply to any Preferred Shares being offered. The terms and provisions of any Preferred Shares offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. The particular terms of each issue of Preferred Shares that will be described in the related Prospectus Supplement will include, where applicable:

- a) the offering price of the Preferred Shares;
- b) the title and designation of number of shares of the series of Preferred Shares;

- c) the dividend rate or method of calculation, the payment dates for dividends and the place or places where the dividends will be paid, whether dividends will be cumulative or noncumulative, and, if cumulative, the dates from which dividends will begin to accumulate;
- d) any conversion or exchange features or rights;
- e) whether the Preferred Shares will be subject to redemption and the redemption price and other terms and conditions relative to the redemption rights;
- f) any liquidation rights;
- g) any sinking fund provisions;
- h) any voting rights;
- i) whether the Preferred Shares will be issued in fully registered or "book-entry only" form;
- j) any other rights, privileges, restrictions and conditions attaching to the Preferred Shares; and
- k) any other specific terms.

Debt Securities

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of a series of Debt Securities offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in the applicable Prospectus Supplement. One or more series of Debt Securities may be sold separately or together with Common Shares, Preferred Shares, Subscription Receipts, Warrants or Units under this Prospectus, or on conversion or exchange of any such Securities.

Priority & Security

Unless otherwise indicated in an applicable Prospectus Supplement, the Debt Securities will be direct secured or unsecured obligations of the Company. The Debt Securities will be senior or subordinated indebtedness of the Company as described in the applicable Prospectus Supplement. If the Debt Securities are unsecured senior indebtedness, they will rank equally and rateably with all other unsecured indebtedness of the Company from time to time issued and outstanding which is not subordinated. If the Debt Securities are subordinated indebtedness, they will be subordinated to senior indebtedness of the Company as described in the applicable Prospectus Supplement, and they will rank equally and rateably with other subordinated indebtedness of the Company from time to time issued and outstanding as described in the applicable Prospectus Supplement. The Company reserves the right to specify in a Prospectus Supplement whether a particular series of subordinated debt securities is subordinated to any other series of subordinated debt securities.

The board of directors of RLTY may establish the extent and manner, if any, to which payment on or in respect of a series of Debt Securities will be senior or will be subordinated to the prior payment of our other liabilities and obligations and whether the payment of principal, premium, if any, and interest, if any, will be guaranteed by any other person and the nature and priority of any security.

Terms of the Debt Securities

In conformity with applicable laws of Canada, for all bonds and notes of companies that are publicly offered, the Debt Securities will be issued under one or more indentures between the Company and a trustee that will be named in the applicable Prospectus Supplement. There will be a separate indenture for the senior Debt Securities and the subordinated Debt Securities, if applicable. An indenture is a contract between a financial institution, acting on your behalf as trustee of the Debt Securities offered, and the Company. The trustee has two main roles. First, subject to some limitations on the extent to which the trustee can act on your behalf, the trustee can enforce

your rights against the Company if it defaults on its obligations under the indenture. Second, the trustee performs certain administrative duties for the Company. The aggregate principal amount of Debt Securities that may be issued under each indenture is unlimited. A copy of the form of each indenture to be entered into in connection with offerings of Debt Securities will be filed with the securities regulatory authorities in Canada when it is entered into. A copy of any indenture or supplement thereto entered into by the Company will be filed with securities regulatory authorities and will be available on our SEDAR profile at www.sedar.com.

The Company may issue Debt Securities bearing no interest or interest at a rate below the prevailing market rate at the time of issuance, and offer and sell these Securities at a discount below their stated principal amount. The Company may also sell any of the Debt Securities for a foreign currency or currency unit, and payments on the Debt Securities may be payable in a foreign currency or currency unit. In any of these cases, the Company will describe certain Canadian federal income tax consequences and other special considerations in the applicable Prospectus Supplement.

Selected provisions of the Debt Securities and the indenture(s) under which such Debt Securities will be issued are summarized below. This summary is not complete. The statements made in this Prospectus relating to any indenture and Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable indenture.

The indentures will not limit the amount of Debt Securities that we may issue thereunder. We may issue Debt Securities from time to time under an indenture in one or more series by entering into supplemental indentures or by our Board of Directors or a duly authorized committee authorizing the issuance. The Debt Securities of a series need not be issued at the same time, bear interest at the same rate or mature on the same date. Unless otherwise indicated in the applicable Prospectus Supplement, we may issue Debt Securities with terms different from those of Debt Securities previously issued and, without the consent of the holders thereof, reopen a previous issue of a series of Debt Securities and issue additional Debt Securities of such series.

The Prospectus Supplement for a particular series of Debt Securities will disclose the specific terms of such Debt Securities, including the price or prices at which the Debt Securities to be offered will be issued. The terms and provisions of any Debt Securities offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. In addition, to the extent that any particular terms of the Debt Securities described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Debt Securities. Those terms may include some or all of the following:

- a) the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- b) the indenture under which such Debt Securities will be issued and the trustee(s) thereunder;
- c) the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars);
- d) whether such Debt Securities are senior or subordinated and, if subordinated, the applicable subordination provisions;
- e) the percentage of the principal amount at which such Debt Securities will be issued;
- f) the date or dates on which such Debt Securities will mature;
- g) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any);
- h) the dates on which any such interest will be payable and the record dates for such payments;

- i) any redemption term or terms under which such Debt Securities may be defeased;
- j) whether such Debt Securities are to be issued in registered form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- k) the place or places where principal, premium and interest will be payable;
- l) any change in the right of the trustee or the holders to declare the principal, premium and interest with respect to such series of debt securities to be due and payable;
- m) the securities exchange(s) on which such series of Debt Securities will be listed, if any;
- n) any terms relating to the modification, amendment or waiver of any terms of such Debt Securities or the applicable indenture;
- o) the designation and terms of any other Securities with which the Debt Securities will be offered, if any, and the principal amount of Debt Securities that will be offered with each Security;
- p) governing law;
- q) any limit upon the aggregate principal amount of the Debt Securities of such series that may be authenticated and delivered under the indenture;
- r) if other than the Company or the trustee, the identity of each registrar and/or paying agent;
- s) if the Debt Securities are issued as a Unit with another Security, the date on and after which the Debt Securities and other Security will be separately transferable;
- t) if the Debt Securities are to be issued upon the exercise of Warrants, the time, manner and place for such Securities to be authenticated and delivered;
- u) if the Debt Securities are to be convertible or exchangeable into other securities of the Company, the terms and procedures for the conversion or exchange of the Debt Securities into other securities; and
- v) any other specific terms of the Debt Securities of such series, including any events of default or covenants.

Any convertible or exchangeable Debt Securities will be convertible or exchangeable only for other securities of the Company. In an offering of convertible, exchangeable or exercisable Securities, original purchasers will have a contractual right of rescission against the Company following the conversion, exchange or exercise of such Securities in the event that this Prospectus, the applicable Prospectus Supplement or any amendment thereto contains a misrepresentation. Additional information concerning this right of rescission is included under the heading "**Statutory Right of Rescission**".

Debt Securities, if issued in registered form, will be exchangeable for other Debt Securities of the same series and tenor, registered in the same name, for an equal aggregate principal amount in authorized denominations and will be transferable at any time or from time to time at the corporate trust office of the relevant trustee. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

Modifications

We may amend any indenture and the Debt Securities without the consent of the holders of the Debt Securities in certain circumstances including to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Debt Securities. A more detailed description of the amendment provisions will be included in the applicable Prospectus Supplement.

Subscription Receipts

Subscription Receipts may be offered separately or together with Common Shares, Preferred Shares, Debt Securities, Warrants or Units, as the case may be. Subscription Receipts will be issued under a subscription receipt

agreement (a "**Subscription Receipt Agreement**") that will be entered into between us and the escrow agent (the "**Escrow Agent**") at the time of issuance of the Subscription Receipts. Each Escrow Agent will be a financial institution authorized to carry on business as a trustee. If underwriters or agents are used in the sale of any Subscription Receipts, one or more of such underwriters or agents may also be a party to the Subscription Receipt Agreement governing the Subscription Receipts sold to or through such underwriter or agent.

Terms of the Subscription Receipts

The Subscription Receipt Agreement will provide each initial purchaser of Subscription Receipts with a non-assignable contractual right of rescission following the issuance of any Common Shares, Warrants or Debt Securities, as applicable, to such purchaser upon the exchange of the Subscription Receipts if this Prospectus, the Prospectus Supplement under which the Subscription Receipts are offered, or any amendment hereto or thereto contains a misrepresentation, as such term is defined in the Securities Act (*British Columbia*). This contractual right of rescission will entitle such initial purchaser to receive the amount paid for the Subscription Receipts upon surrender of the Securities issued in exchange therefor, provided that such remedy for rescission is exercised in the time stipulated in the Subscription Receipt Agreement. This right of rescission will not extend to any holders of Subscription Receipts who acquire such Subscription Receipts from an initial purchaser on the open market or otherwise.

The applicable Prospectus Supplement will include details of the Subscription Receipt Agreement covering the Subscription Receipts being offered. The specific terms of the Subscription Receipts, and the extent to which the general terms described in this section apply to those Subscription Receipts, will be set forth in the applicable Prospectus Supplement and Subscription Receipt Agreement. A copy of the Subscription Receipt Agreement will be filed by us with securities regulatory authorities after it has been entered into by us and will be available on our SEDAR profile at www.sedar.com. Prospective investors should refer to the Subscription Receipt Agreement relating to the specific Subscription Receipts being offered for the complete terms of the Subscription Receipts.

Subscription Receipts will entitle the holder thereto to receive other Securities (typically Common Shares or Debt Securities), for no additional consideration, upon the completion of a particular transaction or event, typically an acquisition of the assets or securities of another entity by the Company. The subscription proceeds from an offering of Subscription Receipts will be held in escrow by an escrow or other agent pending the completion of the transaction or the termination time (the time at which the escrow terminates regardless of whether the transaction or event has occurred). Holders of Subscriptions Receipts will receive other Securities upon the completion of the particular transaction or event or, if the transaction or event does not occur by the termination time, a return of the subscription funds for their Subscription Receipts together with any interest or other income earned thereon.

This section describes the general terms that will apply to any Subscription Receipts being offered and is not intended to be complete. The terms and provisions of any Subscription Receipts offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. The particular terms of each issue of Subscription Receipts that will be described in the related Prospectus Supplement will include, where applicable:

- a) the number of Subscription Receipts;
- b) the price at which the Subscription Receipts will be offered;
- c) conditions (the "**Release Conditions**") for the exchange of Subscription Receipts into Common Shares, Warrants or Debt Securities, as the case may be, and the consequences of such conditions not being satisfied;

- d) the procedures for the exchange of the Subscription Receipts into Common Shares, Warrants or Debt Securities;
- e) the number of Common Shares, Warrants or Debt Securities to be exchanged for each Subscription Receipt;
- f) procedures for the payment by the Escrow Agent to holders of such Subscription Receipts of an amount equal to all or a portion of the subscription price of their Subscription Receipts, plus any additional amounts provided for in the Subscription Receipt Agreement, if the Release Conditions are not satisfied;
- g) the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of such Subscription Receipts, together with interest and income earned thereon, or collectively, the Escrowed Funds, pending satisfaction of the Release Conditions;
- h) the dates or periods during which the Subscription Receipts may be exchanged into Common Shares, Warrants or Debt Securities;
- i) the identity of the Escrow Agent;
- j) the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- k) the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to us upon satisfaction of the Release Conditions and if the Subscription Receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commissions in connection with the sale of the Subscription Receipts;
- l) the currency or currency unit for which Subscription Receipts may be purchased and the aggregate principal amount, currency or currencies, denominations and terms of the series of Common Shares, Warrants or Debt Securities that may be exchanged upon exercise of each Subscription Receipt;
- m) the material income tax consequences of owning, holding and disposing of the Subscription Receipts;
- n) the securities exchange(s) on which the Subscription Receipts will be listed, if any; and
- o) any other material terms and conditions of the Subscription Receipts.

Prior to the exchange of their Subscription Receipts, holders of Subscription Receipts will not have any of the rights of holders of the securities to be received on the exchange of the Subscription Receipts. Subscription Receipts, if issued in registered form, will be exchangeable for other Subscription Receipts of the same tenor, at the office indicated in the Prospectus Supplement. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

Escrow

The Subscription Receipt Agreement will provide that the Escrowed Funds will be held in escrow by the Escrow Agent, and such Escrowed Funds will be released to us (and, if the Subscription Receipts are sold to or through underwriters or agents, a portion of the Escrowed Funds may be released to such underwriters or agents in payment of all or a portion of their fees in connection with the sale of the Subscription Receipts) at the time and under the terms specified by the Subscription Receipt Agreement. If the Release Conditions are not satisfied, holders of Subscription Receipts will receive payment of an amount equal to all or a portion of the subscription price for their Subscription Receipts, plus any additional amounts provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement.

Modifications

The Subscription Receipt Agreement will specify the terms upon which modifications and alterations to the Subscription Receipts issued thereunder may be made by way of a resolution of holders of Subscription Receipts

at a meeting of such holders or by way of consent in writing from such holders. The number of holders of Subscription Receipts required to pass such a resolution or execute such a written consent will be specified in the Subscription Receipt Agreement. The Subscription Receipt Agreement will also specify that we may amend the Subscription Receipt Agreement and the Subscription Receipts, without the consent of the holders of the Subscription Receipts, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of the holder of outstanding Subscription Receipts or as otherwise specified in the Subscription Receipt Agreement.

Warrants

The following sets forth certain general terms and provisions of the Warrants. We may issue Warrants for the purchase of Common Shares, Debt Securities or other Securities of the Company. Warrants may be issued independently or together with Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Units or other Securities offered by any Prospectus Supplement and may be attached to, or separate from, any such offered Securities. Each series of Warrants will be issued under a warrant indenture or agreement between us and a warrant agent that we will name in the applicable Prospectus Supplement.

Terms of the Warrants

Each initial purchaser of Warrants that are exercisable within 180 days of the date of purchase will have a non-assignable contractual right of rescission following the issuance of any securities to such purchaser upon the exercise of the Warrants if this Prospectus, the Prospectus Supplement under which the Warrants are offered, or any amendment hereto or thereto contains a misrepresentation, as such term is defined in the Securities Act (*British Columbia*). This contractual right of rescission will entitle such initial purchaser to receive the amount paid for the Warrants upon surrender of the securities issued on the exercise thereof, provided that such remedy for rescission is exercised within 180 days from the date of the purchase of such Warrants under the applicable Prospectus Supplement. This right of rescission will not extend to any holders of Warrants who acquire such Warrants from an initial purchaser on the open market or otherwise. Additional information concerning this right of rescission is included under the heading "**Statutory Right of Rescission**".

This summary of some of the provisions of the Warrants is not complete, the applicable Prospectus Supplement will include details of the warrant agreement(s) covering the Warrants being offered. The specific terms of the Warrants, and the extent to which the general terms described in this section apply to those Warrants, will be set forth in the applicable Prospectus Supplement. A copy of the warrant agreement will be filed by us with securities regulatory authorities after it has been entered into by us and will be available on our SEDAR profile at www.sedar.com.

Warrants will entitle the holder thereof to receive other Securities (typically Common Shares or Debt Securities) upon the exercise thereof and payment of the applicable exercise price. A Warrant is typically exercisable for a specific period of time at the end of which time it will expire and cease to be exercisable.

This section describes the general terms that will apply to any Warrants being offered. The terms and provisions of any Warrants offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. The particular terms of each issue of Warrants that will be described in the related Prospectus Supplement will include, where applicable:

- a) the designation of the Warrants;
- b) the aggregate number of Warrants offered and the offering price;

- c) the designation, number and terms of the Common Shares, Debt Securities or other Securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- d) the exercise price of the Warrants;
- e) the dates or periods during which the Warrants are exercisable;
- f) the designation and terms of any securities with which the Warrants are issued;
- g) any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- h) if the Warrants are issued as a Unit with another Security, the date on and after which the Warrants and the other Security will be separately transferable;
- i) whether such Warrants will be subject to redemption or call, and if so, the terms of such redemption or call provisions;
- j) any minimum or maximum amount of Warrants that may be exercised at any one time;
- k) whether the Warrants will be issued in fully registered or global form;
- l) whether such Warrants will be listed on any securities exchange;
- m) the currency or currency unit in which the exercise price is denominated;
- n) any rights, privileges, restrictions and conditions attaching to the Warrants;
- o) the material income tax consequences of owning, holding and disposing of the Warrant; and
- p) any other specific terms.

Warrant certificates, if issued in registered form, will be exchangeable for new warrant certificates of different denominations at the office indicated in the Prospectus Supplement. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the Securities subject to the Warrants.

Modifications

We may amend any warrant agreement and the Warrants without the consent of the holders of the Warrants in certain circumstances including to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Warrants. A more detailed description of the amendment provisions will be included in the applicable Prospectus Supplement.

Enforceability

The warrant agent will act solely as our agent. The warrant agent will not have any duty or responsibility if we default under the warrant agreements or the warrant certificates. A Warrant holder may, without the consent of the warrant agent, enforce, by appropriate legal action on its own behalf, the holder's right to exercise the holder's Warrants.

Units

The following sets forth certain general terms and provisions of the Units. We may issue Units comprised of only one or more of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

Terms of the Units

Any Prospectus Supplement for Units supplementing this Prospectus will contain the terms and other information with respect to the Units being offered thereby, including:

- a) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately;
- b) any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units;
- c) how, for income tax purposes, the purchase price paid for the Units is to be allocated among the component Securities;
- d) the currency or currency units in which the Units may be purchased and the underlying Securities denominated;
- e) the securities exchange(s) on which such Units will be listed, if any;
- f) whether the Units and the underlying Securities will be issued in fully registered or global form; and
- g) any other specific terms of the Units and the underlying Securities.

The preceding description and any description of Units in the applicable Prospectus Supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to the unit agreement and, if applicable, collateral arrangements and depositary arrangements relating to such Units.

Modifications

We may amend the unit agreement and the Units, without the consent of the holders of the Units, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Units. Other amendment provisions will be as indicated in the applicable Prospectus Supplement.

OTHER MATTERS RELATING TO THE SECURITIES

General

The Securities may be issued in fully registered certificated form or in book-entry only form.

Certificated Form

Securities issued in certificated form will be registered in the name of the purchaser or its nominee on the registers maintained by our transfer agent and registrar or the applicable trustee.

Book-Entry Only Form

Securities issued in "**book-entry only**" form must be purchased, transferred or redeemed through participants in a depository service of a depository identified in the Prospectus Supplement for the particular offering of Securities. Each of the underwriters, dealers or agents, as the case may be, named in the Prospectus Supplement will be a participant of the depository. On the closing of a book-entry only offering, we will cause a global

certificate or certificates or an electronic deposit representing the aggregate number of Securities subscribed for under such offering to be delivered to or deposited with, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Securities will be entitled to a certificate or other instrument from us or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the registered dealer from which the Securities are purchased in accordance with the practices and procedures of such registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its participants having interests in the Securities. Reference in this Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

If we determine, or the depository notifies us in writing, that the depository is no longer willing or able to properly discharge its responsibilities as depository with respect to the Securities and we are unable to locate a qualified successor, or if we at our option elect, or are required by law, to terminate the book-entry system, then the Securities will be issued in certificated form to holders or their nominees.

Transfer, Conversion or Redemption of Securities

Certificated Form

Transfer of ownership, conversion or redemptions of Securities held in certificated form will be effected by the registered holder of the Securities in accordance with the requirements of our transfer agent and registrar and the terms of the agreement, indenture or certificates representing such Securities, as applicable.

Book-Entry Only Form

Transfer of ownership, conversion or redemptions of Securities held in book-entry only form will be effected through records maintained by the depository or its nominee for such Securities with respect to interests of participants, and on the records of participants with respect to interests of persons other than participants. Holders who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities may do so only through participants. The ability of a holder to pledge a Security or otherwise take action with respect to such holder's interest in a Security (other than through a participant) may be limited due to the lack of a physical certificate.

Payments and Notices

Certificated Form

Any payment of principal, a redemption amount, a dividend or interest (as applicable) on a Security will be made by us, and any notices in respect of a Security will be given by us, directly to the registered holder of such Security, unless the applicable agreement, indenture or certificate in respect of such Security provides otherwise.

Book-Entry Only Form

Any payment of principal, a redemption amount, a dividend or interest (as applicable) on a Security will be made by us to the depository or its nominee, as the case may be, as the registered holder of the Security and we understand that such payments will be credited by the depository or its nominee in the appropriate amounts to

the relevant participants. Payments to holders of Securities of amounts so credited will be the responsibility of the participants.

As long as the depository or its nominee is the registered holder of the Securities, the depository or its nominee, as the case may be, will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. In such circumstances, our responsibility and liability in respect of notices or payments on the Securities is limited to giving or making payment of any principal, redemption, dividend or interest (as applicable) due on the Securities to the depository or its nominee. Each holder must rely on the procedures of the depository and, if such holder is not a participant, on the procedures of the participant through which such holder owns its interest, to exercise any rights with respect to the Securities.

We understand that under existing industry practices, if we request any action of holders or if a holder desires to give any notice or take any action which a registered holder is entitled to give or take with respect to any Securities issued in book-entry only form, the depository would authorize the participant acting on behalf of the holder to give such notice or to take such action, in accordance with the procedures established by the depository or agreed to from time to time by us, any trustee and the depository.

Accordingly, any holder that is not a participant must rely on the contractual arrangement it has directly or indirectly through its financial intermediary with its participant to give such notice or take such action.

We, the underwriters, dealers or agents and any trustee identified in a Prospectus Supplement relating to an offering of Securities in book-entry only form, as applicable, will not have any liability or responsibility for: (i) records maintained by the depository relating to beneficial ownership interests of the Securities held by the depository or the book-entry accounts maintained by the depository; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership; or (iii) any advice or representation made by or with respect to the depository and contained in the Prospectus Supplement or in any indenture relating to the rules and regulations of the depository or any action to be taken by the depository or at the directions of the participants.

PLAN OF DISTRIBUTION

The Company may sell Securities offered by this Prospectus for cash or other consideration (i) to or through underwriters, dealers, placement agents or other intermediaries, (ii) directly to one or more purchasers or (iii) in connection with acquisitions of assets or shares of another entity or company. The Prospectus Supplement relating to an offering of Securities will indicate the jurisdiction or jurisdictions in which such offering is being made to the public and will identify the person(s) offering the Securities. Each Prospectus Supplement will set out the terms of the offering, including the name or names of any underwriters, dealers or agents, the purchase price or prices of the Securities (or the manner of determination thereof if offered on a non-fixed price basis), and the proceeds to us from the sale of the Securities. Only underwriters, dealers or agents so named in the Prospectus Supplement are deemed to be underwriters, dealers or agents, as the case may be, in connection with the Securities offered thereby.

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The prices at which the Securities may be offered may vary between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to

time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters, dealers or agents will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters, dealers or agents to us.

Underwriters, dealers or agents may make sales of Securities in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an "**at-the-market**" offering as defined in and subject to limitations imposed by and the terms of any regulatory approvals required and obtained under, applicable Canadian securities laws, which includes sales made directly on an existing trading market for the Common Shares, or sales made to or through a market maker other than on an exchange. In connection with any offering of Securities, except with respect to "**at-the-market**" offerings (as defined under applicable Canadian securities laws), underwriters may over-allot or effect transactions which stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail in the open market. Such transactions may be commenced, interrupted or discontinued at any time. No underwriter or dealer involved in an "at-the-market" offering, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

If underwriters or dealers purchase Securities as principals, the Securities will be acquired by the underwriters or dealers for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters or dealers to purchase those Securities will be subject to certain conditions precedent, and the underwriters or dealers will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid may be changed from time to time.

The Securities may also be sold directly by us in accordance with applicable securities laws at prices and upon terms agreed to by the purchaser and us, or through agents designated by us, from time to time. Any agent involved in the offering and sale of Securities pursuant to a particular Prospectus Supplement will be named, and any commission payable by us to that agent will be set forth in such Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent would be acting on a best efforts basis for the period of its appointment.

In connection with the sale of the Securities, underwriters, dealers or agents may receive compensation from us in the form of commissions, concessions and discounts. Any such commissions may be paid out of our general funds or the proceeds of the sale of Securities. Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with us to indemnification by us against certain liabilities, including liabilities under Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may engage in transactions with, or perform services for, us in the ordinary course of business.

Each issue by the Company of Debt Securities, Preferred Shares, Subscription Receipts, Warrants and Units will be a new issue of securities with no established trading market. Unless otherwise specified in a Prospectus Supplement relating to an offering of Debt Securities, Preferred Shares, Subscription Receipts, Warrants and Units, such Securities will not be listed on any securities or stock exchange. Any underwriters, dealers or agents to or through whom such Securities are sold may make a market in such Securities, but they will not be obligated to do

so and may discontinue any market making at any time without notice. No assurance can be given that a trading market in any such Securities will develop or as to the liquidity of any trading market for such Securities.

In connection with any offering of Securities, the applicable Prospectus Supplement will set forth any intention by the underwriters, dealers or agents to offer, allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time.

Unless otherwise specified in the applicable Prospectus Supplement, the Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws. Unless otherwise specified in the applicable Prospectus Supplement, the Securities may not be offered, sold or delivered to, or for the account or benefit of, a person in the "United States" or, as applicable, a "U.S. person" (as such terms are defined in Regulation S under the U.S. Securities Act), except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state laws. Each underwriter, dealer or agent for any offering of Securities pursuant to this Prospectus will agree that it will not offer, sell or deliver such securities to, or for the account or benefit of, a person in the United States, or, as applicable, a U.S. person except in certain transactions exempt from the registration requirements of the U.S. Securities Act and in compliance with applicable state securities laws.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences to an investor acquiring any Securities offered thereunder. The applicable Prospectus Supplement may also describe certain U.S. federal income tax consequences to an investor acquiring any Securities thereunder. Prospective investors should read the tax discussion in any Prospectus Supplement with respect to a particular offering and consult their own tax advisors with respect to their own particular circumstances prior to deciding to purchase any of the Securities.

PRIOR SALES

Other than as set forth in the following table, we have not sold or issued any Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units or securities convertible into Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units during the 12 months prior to the date of this Prospectus.

Date	Number and Type of Securities ¹	Issue / Exercise Price Per Security ¹	Aggregate Issue / Exercise Price	Nature of Consideration Received
February 8, 2018	59,370,000 Special Warrants	\$0.05	\$2,968,500	cash
February 8, 2018	3,757,000 Finder's Special Warrants	\$0.05	\$187,850	finder's fees
March 1, 2018	57,120,000 Special Warrants	\$0.05	\$2,856,000	cash
March 1, 2018	5,292,000 Finder's Special Warrants	\$0.05	\$264,600	finder's fees
April 30, 2018	12,690,000 Special Warrants	\$0.05	\$634,500	cash
April 30, 2018	1,220,000 Finder's Special Warrants	\$0.05	\$61,000	finder's fees
May 25, 2018	40,000,000 Preferred Shares	\$0.05	\$2,000,000	cash

Date	Number and Type of Securities ¹	Issue / Exercise Price Per Security ¹	Aggregate Issue / Exercise Price	Nature of Consideration Received
May 25, 2018	40,000,000 Preferred Warrants	\$0.05	\$2,000,000	n/a
May 25, 2018	4,000,000 Finder's Special Warrants	\$0.05	\$200,000	finder's fee
June 8, 2018	63,127,000 Common Shares ²	\$0.05	nil	n/a
June 8, 2018	63,127,000 Warrants ²	\$0.05	\$3,156,350	n/a
June 12, 2018	94,355,026 Common Shares	\$0.33	\$31,137,159	cash
June 12, 2018	5,159,765 Finder's Warrants	\$0.33	\$1,702,722	finder's fees
June 22, 2018	16,468,727 Stock Options	\$0.33	\$5,434,680	stock options
July 1, 2018	62,412,000 Common Shares ³	\$0.05	nil	n/a
July 1, 2018	62,412,000 Warrants ³	\$0.05	\$3,120,600	n/a

Notes:

1. The number of Common Shares and issuance prices have been adjusted to reflect the Company's share consolidation on a three old for one new basis effected on June 26, 2017.
2. Issued upon conversion of the Special Warrants and Finder's Special Warrants issued February 8, 2018.
3. Issued upon conversion of the Special Warrants and Finder's Special Warrants issued March 1, 2018.

TRADING PRICE AND VOLUME

The following table sets forth the particulars of the trading of the Common Shares of the Company on the CSE since June 25, 2018, being the date the Company's shares were listed on the CSE. On June 29, 2018, the Company's Common Shares began trading in U.S. funds instead of Canadian funds. The Company's Common Shares did not trade previously since 2001.

<u>Month</u>	<u>High</u> (CDN\$)	<u>Low</u> (CDN\$)	<u>Total Volume</u>
June 25 – 28, 2018	\$0.83	\$0.59	9,757,688

<u>Month</u>	<u>High</u> (US\$)	<u>Low</u> (US\$)	<u>Total Volume</u>
August 1-8, 2018	\$0.56	\$0.425	2,434,241
July 2018	\$0.74	\$0.36	15,984,736
June 29 – 30, 2018	\$0.77	\$0.56	2,102,192

RISK FACTORS

The Securities are subject to certain risks. When evaluating the Company and its business, potential holders of the Securities should consider carefully the information set out in this Prospectus and the risks described below and in the documents incorporated by reference in this Prospectus, including those risks identified and discussed in the applicable Prospectus Supplement and under the heading "**Risk Factors**" in the AIF, which are incorporated

by reference herein. Additional risk factors relating to a specific offering of Securities will be described in the applicable Prospectus Supplement. Some of the risk factors described herein and in the documents incorporated by reference are interrelated and consequently prospective investors should treat such risk factors as a whole. The risks described below and in the AIF are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. We cannot assure you that we will successfully address any or all of these risks. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. If any of the risks described below or in the AIF actually occur, the Company's business, financial condition and operating results could be adversely affected. Investors should carefully consider the risks below and in the AIF and the other information elsewhere in this Prospectus and consult with their professional advisors to assess any investment in the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations.

A positive return on Securities is not guaranteed.

There is no guarantee that the Securities will earn any positive return in the short term or long term. A holding of Securities is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. A holding of Securities is appropriate only for holders who have the capacity to absorb a loss of some or all of their holdings.

The Company has broad discretion to use the net proceeds from an offering.

The Company intends to use the net proceeds raised under this Prospectus to achieve its stated business objectives as set forth under "Use of Proceeds" under this Prospectus and any applicable Prospectus Supplement. The Company maintains broad discretion to spend the proceeds in ways that it deems most efficient as well as the timing of expenditures. As a result, investors will be relying on the judgment of management as to the application of the remaining proceeds of an offering. Management may use the remaining proceeds of an offering in ways that an investor may not consider desirable. The results and effectiveness of the application of the remaining proceeds are uncertain. The application of the proceeds to various items may not necessarily enhance the value of the Common Shares. The failure to apply the net proceeds as set forth under "Use of Proceeds", or the failure of the Company to achieve its stated business objectives set forth in such section, could adversely affect the Company's business, financial condition and / or operating results and, consequently, could adversely affect the price of the Common Shares on the open market.

The Company may sell or issue additional Common Shares or other Securities resulting in dilution.

The Company may sell additional Common Shares or other Securities that are convertible or exchangeable into Common Shares in subsequent offerings or may issue additional Common Shares or other Securities to finance future acquisitions. The Company cannot predict the size or nature of future sales or issuances of securities or the effect, if any, that such future sales and issuances will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares or other Securities that are convertible or exchangeable

into Common Shares, or the perception that such sales or issuances could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of Common Shares or other Securities that are convertible or exchangeable into Common Shares, investors will suffer dilution to their voting power and economic interest in the Company. Furthermore, to the extent holders of the Company's stock options or other convertible securities convert or exercise their securities and sell the Common Shares they receive, the trading price of the Common Shares on the CSE may decrease due to the additional amount of Common Shares available in the market.

There is no assurance of a sufficient liquid trading market for the Company's Common Shares in the future.

Shareholders of the Company may be unable to sell significant quantities of Common Shares into the public trading markets without a significant reduction in the price of their Common Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Company's Common Shares on the trading market, and that the Company will continue to meet the listing requirements of the CSE or achieve listing on any other public listing exchange.

There is currently no market through which the Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units may be sold.

There is currently no market through which the Securities, other than the Common Shares, may be sold and, unless otherwise specified in the applicable Prospectus Supplement, our Preferred Shares, Debt Securities, Subscription Receipts, Warrants and Units will not be listed on any securities or stock exchange. As a consequence, purchasers may not be able to resell Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units purchased under this Prospectus. This may affect the pricing of the Securities, other than the Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of these securities and the extent of issuer regulation. There can be no assurance that an active trading market for the Securities, other than the Common Shares, will develop or, if developed, that any such market, including for the Common Shares, will be sustained.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Manning Elliott LLP, Chartered Professional Accountants located at Suite 1100 – 1050 W. Pender Street, Vancouver, BC V6E 3S7. Manning Elliott LLP, Chartered Professional Accountants is independent of the Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

The transfer agent and registrar in respect of the Common Shares and the warrant agent for the Warrants is National Issuer Services Ltd., located at 760 – 777 Hornby Street, Vancouver, BC, V6Z 1S4

LEGAL MATTERS

Certain legal matters related to our securities offered by this Prospectus will be passed upon on our behalf by Owen Bird Law Corporation, with respect to matters of Canadian law. To the knowledge of the Company, Owen Bird Law Corporation does not have any beneficial interest, direct or indirect, in the securities of the Company or

any of its subsidiaries or in the assets of the Company or any of its subsidiaries.

STATUTORY RIGHT OF RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

In an offering of convertible, exchangeable or exercisable Securities, original purchasers will have a contractual right of rescission against the Company following the conversion, exchange or exercise of such Securities in the event that this Prospectus, the applicable Prospectus Supplement or any amendment thereto contains a misrepresentation. The contractual right of rescission will be further described in any applicable Prospectus Supplement but will entitle, in general, such original purchasers to receive, upon surrender of the securities issued upon conversion, exchange or exercise of such Securities (including any additional amount paid on conversion, exchange or exercise), the amount paid for such Securities, provided that (i) the conversion, exchange or exercise takes place within 180 days from the date of the purchase of such Securities under the applicable Prospectus Supplement and (ii) the right of rescission is exercised within 180 days from the date of the purchase of such Securities under the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia) and is in addition to any other right or remedy available to original purchasers under Section 131 of the *Securities Act* (British Columbia) or otherwise by law.

Original purchasers of convertible, exchangeable or exercisable Securities are further cautioned that in an offering of convertible, exchangeable or exercisable Securities, the statutory right of action for damages for a misrepresentation contained in a prospectus is, under the securities legislation of certain provinces, limited to the price at which the convertible, exchangeable or exercisable Security was offered to the public under the prospectus offering. Accordingly, if the purchaser pays additional amounts upon the conversion, exchange or exercise of the security, such additional amounts may not be recoverable in a statutory action for damages in such provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

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CERTIFICATE OF THE COMPANY

Date: August 9, 2018

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in each of the provinces of British Columbia, Alberta and Ontario.

"Paul Rosen"

Paul Rosen
Chief Executive Officer

"Johannes P.M. van der Linde"

Johannes P.M. van der Linde
Chief Financial Officer

On Behalf of the Board of Directors:

"Brendan Purdy"

Brendan Purdy
Director

"Brian Penny"

Brian Penny
Director