



STATEHOUSE

H O L D I N G S

**NOTICE OF ANNUAL GENERAL MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
FOR
SHAREHOLDERS
OF
STATEHOUSE HOLDINGS INC.
TO BE HELD ON SEPTEMBER 21, 2023**

Dated as of August 8, 2023

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STATEHOUSE HOLDINGS INC.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Shares**”) of StateHouse Holdings Inc. (the “**Corporation**”) will be held on Thursday, September 21, 2023 at 10:00 a.m. (Toronto time). The Meeting will be held in a virtual meeting format only via live audio webcast online at <https://web.lumiagm.com/216562048> (Meeting ID: 216-562-048) for the following purposes:

1. to receive the audited financial statements of the Corporation for the years ended December 31, 2022 and 2021, together with the auditor’s reports thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to re-appoint Armanino LLP, Chartered Professional Accountants, as auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix their remuneration; and
4. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Accompanying this Notice of Annual General Meeting of Shareholders is the Circular, either a form of proxy for registered Shareholders or a voting instruction form for beneficial Shareholders, and a reply card for use by Shareholders who wish to receive the Corporation’s interim and/or annual financial statements.

The Corporation is holding the Meeting as a completely virtual meeting via live audio webcast online at <https://web.lumiagm.com/216562048> (Meeting ID: 216-562-048), password: “statehouse23” (case sensitive). Registered Shareholders and duly appointed proxyholders will be able to attend the Meeting, submit questions and vote by online ballot, provided they are connected to the internet and follow the instructions in the attached Circular. Non-registered Shareholders, being Shareholders who hold their Shares through a bank, trust company, broker, dealer, custodian, nominee, administrator of a self-administered plan or other intermediary who have not duly appointed themselves as proxyholder will be able to virtually attend the Meeting as guests, however they will not be able to participate or vote at the Meeting. Shareholders will not be able to attend the Meeting in person.

A Shareholder wishing to be represented by proxy at the Meeting or any adjournment or postponement thereof must deposit his, her or its duly executed form of proxy with the Corporation’s transfer agent and registrar, Odyssey Trust Company, (a) by mail at Attn: Proxy Department, 67 Yonge Street, Suite 702, Toronto, Ontario M5E 1J8, or (b) by voting online at <https://login.odysseytrust.com/pxlogin>, clicking on vote and entering their 12-digit control number by no later than 10:00 a.m. (Toronto time) on Tuesday, September 19, 2023 or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used.

Shareholders who wish to appoint a person other than the management nominees identified in the form of proxy or voting instruction form (including a non-registered Shareholder who wishes to appoint themselves to attend the Meeting) must carefully follow the instructions in the attached Circular and on their form of proxy or voting instruction form. These instructions include the additional step of registering the proxyholder with the Corporation’s transfer agent, Odyssey Trust Company, after submitting the form of proxy or voting instruction form. **If you wish that a person other than the management nominees identified on the form of proxy or voting instruction form attend and participate at the Meeting as your proxy and vote your Shares, you MUST register the proxyholder after having submitted your**

form of proxy or voting instruction form identifying such proxyholder. Failure to register the proxyholder with our transfer agent will result in the proxyholder not receiving login credentials to participate in the Meeting and only being able to attend as a guest. Guests will be able to listen to the Meeting, but will not be able to vote.

The record date for the determination of those Shareholders entitled to receive this Notice of Annual General Meeting of Shareholders and to vote at the Meeting is the close of business on Friday, August 4, 2023 (the “**Record Date**”). Shareholders of record at the close of business on the Record Date are entitled to notice of the Meeting and to vote thereat or at any adjournment or postponement thereof on the basis of one vote for each Share held.

DATED this 8th day of August, 2023.

BY ORDER OF THE BOARD

“Matthew K. Hawkins”

Matthew K. Hawkins
Chairman and Director

STATEHOUSE HOLDINGS INC.

MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “**Circular**”) is being provided in connection with the annual general meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (the “**Shares**”) in the capital of StateHouse Holdings Inc. (the “**Corporation**”). This year’s Meeting will be held in a virtual meeting format only via live audio webcast online at <https://web.lumiagm.com/216562048> (Meeting ID: 216-562-048), password: “statehouse23” (case sensitive). This Circular describes the items to be voted on at the Meeting as well as the voting process, and provides information about director and executive compensation, governance practices and other relevant matters. Unless otherwise indicated, all dollar amounts in this Circular are expressed in United States dollars. Any Canadian dollar amounts converted to United States dollars have been converted using an exchange rate of 1.3013, being the Bank of Canada annual exchange rate as of December 31, 2022.

SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation of proxies by management of the Corporation for use at the Meeting for the purposes set forth in the attached Notice of Annual Meeting of Shareholders (the “**Notice**”). The solicitation of proxies will primarily be made by sending proxy materials to Shareholders by mail, and, in relation to the delivery of this Circular, by posting this Circular online at <https://odysseytrust.com/client/statehouse-holdings-inc/> and our SEDAR (as defined below) profile at www.sedar.com pursuant to the Notice-and-Access (as defined below) provisions. See “Notice-and-Access” on page 3 of this Circular for further information.

The solicitation of proxies may be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Corporation or by the Corporation’s transfer agent and registrar. The Corporation may retain other persons or companies to solicit proxies on behalf of management in which event customary fees for such services will be paid. All costs of solicitation will be borne by the Corporation. The Corporation has sent the N&A Notice (as defined below) and a form of proxy or voting instruction form, as applicable, (the “**Notice Package**”) to all Shareholders informing them that this Circular is available online and explaining how this Circular may be accessed. The Corporation will not directly send the Notice Package to Beneficial Shareholders (as defined below). Instead, the Corporation will pay clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**”) for distribution to Beneficial Shareholders whose Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward the Notice Package to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Corporation has elected to pay for the delivery of the Notice Package to objecting Beneficial Shareholders by the Intermediaries. The Corporation is not sending the Notice Package directly to non-objecting Beneficial Shareholders. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Corporation if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Corporation will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Notice Package.

APPOINTMENT AND REVOCATION OF PROXIES

A registered Shareholder can vote by proxy whether or not he or she attends the Meeting. The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. A registered Shareholder desiring to appoint some other person to represent him or her at the Meeting may do so either by inserting such person’s name in the blank space provided in the applicable form of proxy or by completing another proper form of proxy. In either case, a registered Shareholder can vote by proxy by delivering the completed proxy to the Corporation’s transfer agent and registrar, Odyssey Trust Company,

(a) by mail to Attn: Proxy Department, 67 Yonge Street, Suite 702, Toronto, Ontario M5E 1J8 in the prepaid addressed envelope provided for that purpose, or (b) by voting online at <https://login.odysseytrust.com/pxlogin>, clicking on vote and entering their 12-digit control number so as to arrive by no later than 10:00 a.m. (Toronto time) on Tuesday, September 19, 2023, or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used. **If you wish that a person other than the management nominees identified on the proxy attend and participate at the Meeting as your proxy and vote your Shares, you must complete the additional step of registering the proxyholder by emailing Odyssey Trust Company at appointee@odysseytrust.com by no later than 10:00 a.m. (Toronto time) on Tuesday, September 19, 2023, or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used. Failure to register the proxyholder with our transfer agent will result in the proxyholder not receiving login credentials to participate in the Meeting and only being able to attend as a guest. Guests will be able to listen to the Meeting, but will not be able to vote.**

Proxies given by Shareholders for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the Shareholder or by such Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:
 - (i) at the registered office of the Corporation at Bay Adelaide Centre – North Tower, 40 Temperance Street, Suite 3200, Toronto, Ontario M5H 0B4, at any time up to 5:00 p.m. (Toronto time) on the last business day prior to the Meeting or any adjournment or postponement thereof;
 - (ii) with the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof by attending the Meeting (virtually) and voting by online ballot, which vote will have the effect of revoking any and all previously submitted proxies; or
- (b) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote the Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such Shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment or postponement thereof.** At the time of the printing of this Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

ADVICE TO BENEFICIAL SHAREHOLDERS

Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Shares can be recognized and acted upon at the Meeting. The information set forth in this section is therefore of significant importance to a substantial

number of Shareholders who do not hold their Shares in their own name (referred to in this section as “**Beneficial Shareholders**”). If Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Shares will not be registered in such Shareholder’s name on the records of the Corporation. Such Shares will more likely be registered under the name of the Shareholder’s Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Shares held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting the Shares for their clients.

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Corporation has distributed copies of the Notice Package to Intermediaries for onward distribution to all Beneficial Shareholders.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Corporation to the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails the voting instruction forms or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the voting instruction forms or proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy or voting instruction form from Broadridge cannot use that proxy to vote Shares directly at the Meeting – the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote their Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their own Shares as proxyholder for the Intermediary should enter their own names in the blank space on the management form of proxy or voting instruction form provided to them and return the same to their Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary or agent well in advance of the Meeting. **Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies.**

All references to shareholders in this Circular and the accompanying form of proxy and Notice are to Shareholders of record unless specifically stated otherwise.

NOTICE-AND-ACCESS

The Corporation is utilizing the notice-and-access mechanism (“**Notice-and-Access**”) under NI 54-101 in the case of Beneficial Shareholders and National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) in the case of registered Shareholders.

Notice-and-Access allows the Corporation to deliver this Circular to Shareholders via specified electronic means provided that the conditions of NI 54-101 and NI 51-102 are met.

Website Where Meeting Materials are Posted

The Notice-and-Access provisions are a set of rules that allow reporting issuers to choose to deliver proxy-related materials to registered Shareholders and Beneficial Shareholders by posting electronic versions of proxy-related materials online, via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to Shareholders.

The Corporation will not rely upon the use of “stratification”. In order for a reporting issuer such as the Corporation to avail itself of the Notice-and-Access process, the Corporation must send a notice to Shareholders (the “**N&A Notice**”), including Beneficial Shareholders, indicating the websites where this Circular has been posted and explaining how a Shareholder can access the Circular online or obtain a paper copy from the Corporation as well as other basic information about the Meeting including, among other things, the matters to be voted on at the Meeting.

Electronic copies of the Circular, the Notice, the annual audited consolidated financial statements of the Corporation for the year ended December 31, 2022 (“**Financial Statements**”) and management’s discussion and analysis (“**MD&A**”) of the Corporation’s results of operations and financial condition for the year ended December 31, 2022 are available on the Corporation’s SEDAR profile at www.sedar.com and online at <https://odysseytrust.com/client/statehouse-holdings-inc/>. In relation to the Meeting, Shareholders with existing instructions on their account to receive printed materials and those Shareholders with addresses outside of Canada and the United States will receive a printed copy of the Notice Package. All other Shareholders will receive only the required notification documentation under Notice-and-Access, which will not include a paper copy of the Circular.

Obtaining Paper Copies of Materials

The Corporation anticipates that using Notice-and-Access for delivery will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. Shareholders with questions about Notice-and-Access can call the Corporation toll-free in North America at 1-888-290-1175. Shareholders may also obtain paper copies of the Circular, Financial Statements and MD&A free of charge by contacting Odyssey Trust Company at the same toll-free number. Requests should be received at least five business days in advance of the proxy cut-off date set out in the accompanying proxy or voting instruction form in order to receive the meeting materials in advance of the date of the Meeting.

Information for Shareholders not Resident in Canada

The Corporation is organized under the laws of the Province of Ontario. The solicitation of proxies involves securities of a Canadian issuer and is being effected in accordance with applicable corporate and securities laws in Canada. Shareholders should be aware that the requirements applicable to the Corporation under Canadian laws may differ from requirements under corporate and securities laws relating to corporations in other jurisdictions. The enforcement of civil liabilities under the securities laws of other jurisdictions outside Canada may be affected adversely by the fact that the Corporation is organized under the laws of the Province of Ontario. Shareholders may not be able to sue the Corporation and/or its directors or officers in a Canadian court for violations of foreign securities laws. It may be difficult to compel the Corporation to subject itself to a judgment of a court outside Canada.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The close of business on Friday, August 4, 2023 has been fixed as the record date (the “**Record Date**”) for the determination of Shareholders entitled to receive notice of the Meeting and any adjournment or

postponement thereof. Only Shareholders of record at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting or any adjournment or postponement thereof.

The authorized voting securities of the Corporation consist of an unlimited number of Shares. On June 23, 2022, Shareholders approved a special resolution authorizing certain amendments to the articles of the Corporation to, among other things, remove multiple voting shares from the authorized capital of the Corporation and to reclassify the Corporation’s issued and outstanding subordinate voting shares as common shares. As at the Record Date, the Corporation had issued and outstanding 253,193,303 Shares, representing all of the voting rights attached to the outstanding voting securities of the Corporation. Shareholders of record on the Record Date are entitled to vote on the basis of one vote for each Share held.

The holders of Shares are entitled to receive dividends out of monies of the Corporation properly applicable to the payment of dividends if and when declared by the board of directors of the Corporation (the “**Board**”), in such amount and in such form as the Board may determine from time to time. In the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its Shareholders for the purpose of winding up its affairs, the holders of Shares will be entitled to receive the remaining property and assets of the Corporation. The holders of Shares are entitled to receive notice of and to attend all meetings of Shareholders and are entitled to one vote for each Share held at all meetings of Shareholders.

To the knowledge of the directors and executive officers of the Corporation, as at the date of this Circular, the only persons who beneficially own, or control or direct, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to any class of Shares are as follows:

Name	Number of Shares Owned, Controlled or Directed	Percentage of Voting Rights Attached to all Outstanding Shares
Matthew K. Hawkins ⁽¹⁾	28,503,533	11.26%
Andrew Sturner ⁽²⁾	28,855,283	11.40%
Cresco Capital Partners II, LLC ⁽³⁾	26,157,473	10.33%

Notes:

- (1) Mr. Hawkins beneficially owns, or controls or directs, an aggregate of 28,503,533 Shares directly and indirectly by CCP FLRISH, LLC (“**FLRish**”), CCP RARCOZ, LLC (“**RARCOZ**”), CCP URBN, LLC (“**URBN**”), Cresco Capital Partners II, LLC (“**CCP II**”), Cresco Capital Partners, LLC (“**CCP**”) and Entourage Effect Capital, LLC (“**EEC**”). Mr. Hawkins also beneficially owns, or controls or directs, stock options (“**Options**”) exercisable into an aggregate of 513,000 Shares, 505,000 of which are held indirectly by EEC, restricted share units (“**RSUs**”) representing the right to receive up to 337,500 Shares, all of which are held indirectly by EEC, and Share purchase warrants (“**Warrants**”) exercisable into an aggregate of 3,550,000 Shares, all of which are held indirectly by CCP II.
- (2) Mr. Sturner beneficially owns, or controls or directs, an aggregate of 28,855,283 Shares directly and indirectly by FLRish, RARCOZ, URBN, CCP II, CCP, Orange Island Ventures, LLC (“**Orange Island**”) and EEC. Mr. Sturner also beneficially owns, or controls or directs, Options exercisable into an aggregate of 505,000 Shares, all of which are held indirectly by EEC, RSUs representing the right to receive up to 337,500 Shares, all of which are held indirectly by EEC, and Warrants exercisable into an aggregate of 3,675,100 Shares, all of which are held indirectly by CCP II and Orange Island.
- (3) CCP II is controlled and directed by Mr. Hawkins and Mr. Sturner. Mr. Hawkins is currently a director of the Corporation. Mr. Sturner resigned as a director of the Corporation on April 4, 2022 and transitioned into a role as a Board observer. Both Mr. Hawkins and Mr. Sturner are partners at CCP II. CCP II beneficially owns, or controls or directs, an aggregate of 26,157,473 Shares and also holds Warrants exercisable into an aggregate of 3,550,000 Shares.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding the number of Shares to be issued upon exercise of outstanding Options pursuant to the Corporation’s Amended and Restated Equity Incentive Plan (the “**Equity Incentive Plan**”) as at December 31, 2022:

Plan Category	Number of Shares to be issued upon exercise of outstanding Options	Weighted-average exercise price of outstanding Options (\$)	Number of Shares remaining available for future issuance under equity compensation plans ⁽¹⁾
Equity compensation plans approved by security holders	21,558,975	0.61	1,796,051
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	21,558,975	0.61	1,796,051

Notes:

- (1) As at December 31, 2022, the aggregate maximum number of Shares available for issuance pursuant to the grant of awards under the Equity Incentive Plan was 1,796,051 Shares.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the twelve month period ended December 31, 2022 was, a director or officer of the Corporation, a proposed management nominee for election as a director of the Corporation, or any associate of any one of the foregoing persons is, or at any time since the commencement of the Corporation’s most recently completed financial year has been, indebted to the Corporation or any of its subsidiaries (other than in respect of amounts which constitute routine indebtedness) or was indebted to another entity, where such indebtedness is, or was at any time since the commencement of the Corporation’s most recently completed financial year, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries. For the purposes of this paragraph, “support agreement” includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

REPORT ON CORPORATE GOVERNANCE

Corporate governance relates to activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation.

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices, which disclosure is set out below, in accordance with Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

Board of Directors

A director is independent if he or she has no direct or indirect material relationship with the Corporation that the Board believes could reasonably be perceived to materially interfere with his or her ability to exercise independent judgment. Applicable securities laws set out certain situations where a director is deemed to have a material relationship with the Corporation.

Of the proposed director nominees, Mr. Pottle, Mr. Scott and Ms. Snyder are considered to be independent under applicable securities laws. Mr. Hawkins, a director and Chair of the Board, is not considered to be independent under applicable securities laws, as he served as the former Interim Chief Executive Officer (“CEO”) of the Corporation. Mr. Ravner, a director, is not considered to be independent under applicable securities laws, as he served as the former President of the Corporation. Mr. Schmults, a director and CEO of the Corporation, is not considered to be independent under applicable securities laws, as he serves as the CEO of the Corporation.

Orientation and Continuing Education

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Corporation has not yet developed an official orientation or training program for new directors or a formal continuing education program for existing directors. Nevertheless, new directors will be provided, through discussions and meetings with other directors, officers and employees, with a thorough description of the Corporation’s business, operations and strategic plans and objectives. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board. Requests for education are encouraged and dealt with on an ad hoc basis.

Ethical Business Conduct

As part of its responsibility for the stewardship of the Corporation, the Board seeks to foster a culture of ethical conduct by requiring the Corporation to carry out its business in line with high business and moral standards and applicable legal and financial requirements. The Board has formalized this in a written mandate (the “**Directors’ Mandate**”). The Directors’ Mandate is attached as Schedule “A” to this Circular.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to employees, consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of honesty, integrity and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

The Board takes steps to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or an employee or consultant of the Corporation has a material interest, which include ensuring that such individuals are familiar with the Directors’ Mandate and, in particular, rules concerning reporting conflicts of interest and obtaining direction from the Board or a member of senior management of the Corporation regarding any potential conflicts of interest.

Nomination of Directors

The Board is responsible for the nomination of directors and identifying new candidates for appointment to the Board. The Corporation has not yet adopted formal nomination procedures for new directors; however, the Board is responsible for identifying the competencies and skills required for nominees to the Board, with a view to ensuring that the Board is comprised of directors with the necessary skills and experience to facilitate effective decision-making.

Compensation

The Board, with the assistance of the governance, compensation and nominating committee (the “**GC&N Committee**”), is responsible for reviewing and approving the compensation of directors and the CEO and for reviewing the CEO’s recommendations regarding compensation of the other senior executives of the Corporation. The Board generally reviews compensation paid to directors and CEOs of companies of similar size and stage of development in the cannabis industry and determines appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Corporation.

Other Board Committees

The Board has established two standing committees to assist it in carrying out its mandate: (i) the audit committee (the “**Audit Committee**”); and (ii) the GC&N Committee.

As of the date of this Circular, the Audit Committee is comprised of Mr. Scott (Chair), Ms. Snyder and Mr. Pottle and the GC&N Committee is comprised of Mr. Pottle (Chair), Mr. Hawkins and Ms. Snyder. In addition to the standing committees of the Board, independent committees will be appointed from time to time, when appropriate.

Assessments

The Board does not formally review the contributions of individual directors; however, it believes that its current size facilitates informal discussion and evaluation of members’ contributions within that framework. All directors and/or committee members are free to make suggestions for improvement of the practice of the Board and/or its committees at any time and are encouraged to do so.

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board, the Audit Committee and the GC&N Committee.

AUDIT COMMITTEE DISCLOSURE

The Audit Committee's Charter

The charter (the “**Audit Committee Charter**”) of the Audit Committee is attached as Schedule “B” to this Circular.

Composition of Audit Committee

The Audit Committee is composed of James E. Scott (Chair), Felicia Snyder and Jonathon Roy Pottle, each of whom is a director of the Corporation. None of the Audit Committee members are employees, executive officers or control persons of the Corporation, in accordance with the composition requirements for venture issuers under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). All members of the Audit Committee are considered “independent” as such term is defined in NI 52-110. The Corporation is of the opinion that all members of the Audit Committee are “financially literate” as such term is defined in NI 52-110.

Relevant Education and Experience

All of the members of the Audit Committee are financially literate in accordance with NI 52-110 and have education or experience that provide them with:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- (c) experience preparing, auditing, analysing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

A general description of the education and experience of each Audit Committee member which is relevant to the performance of their responsibilities as an Audit Committee member is contained in their respective biographies set out under “*Particulars of Matters to be Acted Upon – Election of Directors – Director Nominee Profiles*” of this Circular.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the nomination and/or compensation of the Corporation's external auditors not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to “De Minimis Non-Audit Services” or any exemption provided by Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

Pursuant to the terms of the Audit Committee Charter, the Audit Committee is responsible for the pre-approval of all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.

External Auditor Service Fees (By Category)

The following table sets forth fees billed to the Corporation during the financial years ended December 31, 2022 and 2021 for professional services rendered by the Corporation's external auditor:

	2022	2021
Audit Fees	\$686,656.70	\$252,000
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total	\$686,656.70	\$252,000

Notes:

- (1) "Audit Fees" refers to the aggregate fees billed by the Corporation's external auditor in each of the last two fiscal years for audit services.
- (2) "Audit-Related Fees" refers to the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and not reported under "Audit Fees" above.
- (3) "Tax Fees" refers to the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Corporation's external auditor for tax compliance, tax advice and tax planning.
- (4) "All Other Fees" refers to the aggregate fees billed in each of the last two fiscal years for products and services provided by the Corporation's external auditor, other than the services reported in "Audit Fees", "Audited-Related Fees" and "Tax Fees" above.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no "informed person" (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102")) or proposed nominee for election as a director of the Corporation or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Corporation has participated since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Presentation of Financial Statements

The audited financial statements of the Corporation for the years ended December 31, 2022 and 2021, together with the auditor's reports thereon will be tabled at the Meeting but no vote by the Shareholders with respect thereto is proposed to be taken. The audited financial statements and the related MD&A are available under the Corporation's profile on SEDAR at www.sedar.com and at <https://odysseytrust.com/client/statehouse-holdings-inc/>. Shareholders may also obtain paper copies of the Financial Statements and MD&A free of charge by contacting Odyssey Trust Company toll-free in North America at 1-888-290-1175. Requests should be received at least five business days in advance of the proxy

cut-off date set out in the accompanying proxy or voting instruction form in order to receive the meeting materials in advance of the date of the Meeting.

2. Election of Directors

The Corporation currently has six directors. The Board has fixed the number of directors to be elected at the Meeting at six. All of the current directors of the Corporation have been nominated by the Board for re-election as directors at the Meeting, namely, Matthew K. Hawkins (Chair), Jonathon Roy Pottle, Marc Ravner, Edward M. Schmults, James E. Scott and Felicia Snyder. Each director elected will hold office until the next annual meeting of shareholders or until his or successor is duly elected or appointed pursuant to the by-laws of the Corporation. The nominees, whose names are set out below, have been directors of the Corporation since the dates indicated below. The enclosed form of proxy permits Shareholders to vote for each nominee on an individual basis.

The Board recommends that Shareholders vote FOR each of its nominees for director.

SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF EACH OF THE PROPOSED NOMINEES UNLESS A SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES.

Advance Notice Requirement

The Corporation's By-Law No. 2 contains a requirement providing for advance notice of nominations of directors (the "**Advance Notice Requirement**") in certain circumstances where nominations for election to the Board are made by Shareholders. For an annual meeting of Shareholders, notice to the Corporation must be provided not less than 30 and not more than 65 days prior to the date of the annual meeting; save and except where the annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual meeting was made, in which event notice may be given not later than the close of business on the 10th day following such public announcement. For a special meeting of Shareholders (that is not also an annual meeting), notice to the Corporation must be given not later than the close of business on the 15th day following the day on which the first public announcement of the date of such special meeting was made. The Corporation's By-Law No. 2 is available under the Corporation's profile on SEDAR at www.sedar.com.

Director Nominee Profiles

The following tables set out certain information as of the date of this Circular (unless otherwise indicated) with respect to the persons being nominated at the Meeting for election as directors. Information regarding Shares owned by each director of the Corporation is presented to the best knowledge of management of the Corporation and has been furnished to management of the Corporation by such directors.

MATTHEW K. HAWKINS		Principal Occupation and Biographical Information	
Texas, United States Director Since: May 2019 Not Independent	Matthew Hawkins is the Founder and Managing Principal of Entourage Effect Capital, LLC (EEC), a private equity firm focused specifically on investing in the legalized cannabis industry. Since 2014, the firm has invested out of two co-investment vehicles and special purpose entities with over \$160 million in assets under management and is currently raising its third fund. Prior to founding EEC, he was a Partner and President of a real estate investment company which acquired REO and NPL from banks and financial institutions across the country. Prior to this, Matt was a Principal/Co-founder of San Jacinto Partners, a fund focused on the bulk acquisition of single-family residential assets and the Managing General Partner of Adjacent Capital, L.P., a private equity/specialty lending fund. He was earlier affiliated with Treadstone Partners, L.L.C., a distressed debt and equity fund. Matt is a graduate of The University of Texas at Austin.		
Current Board/Committee Membership⁽¹⁾		Other Public Board Memberships	
Member of the Board Member of the GC&N Committee	None.		
Number of Securities Beneficially Owned, Controlled or Directed⁽²⁾		32,724,033 ⁽³⁾	

Notes:

- (1) Mr. Hawkins was appointed to the Board on May 30, 2019.
- (2) Represents Shares, Options, RSUs, Warrants and any other convertible securities, on a fully diluted basis.
- (3) Mr. Hawkins beneficially owns, or controls or directs, an aggregate of 28,391,033 Shares directly and indirectly by FLRish, RARCOZ, URBN, CCP II and CCP. Mr. Hawkins also beneficially owns, or controls or directs, Options exercisable into an aggregate of 513,000 Shares, 505,000 of which are held indirectly by EEC, RSUs representing the right to receive up to 450,000 Shares, all of which are held indirectly by EEC, and Warrants exercisable into an aggregate of 3,550,000 Shares, all of which are held indirectly by CCP II.

JONATHON ROY POTTLE		Principal Occupation and Biographical Information	
Florida, United States Director Since: April 2022 Independent	Mr. Pottle is a seasoned business executive with over thirty-five years of experience in financing, acquiring and operating private and public companies. He is currently Chairman and Chief Executive Officer of American Messaging Services, LLC, a privately held wireless messaging company he co-founded in 2005 that provides critical messaging services throughout the United States. From February 1998 to November 2004 Mr. Pottle was Executive Vice President and Chief Financial Officer of Arch Wireless, Inc., a large publicly traded wireless messaging company and from October 1994 to February 1998, Mr. Pottle was Vice President and Treasurer of Jones Intercable, Inc., a publicly traded cable television company. Prior to October 1994, Mr. Pottle held a variety of senior positions in both Toronto and New York with the Bank of Nova Scotia where he managed a \$3.5 billion media and telecommunications portfolio. Mr. Pottle has served on the board of several public and private companies. Mr. Pottle holds both a Bachelor of Commerce and an MBA from Concordia University in Montreal, Quebec.		
Current Board/Committee Membership⁽¹⁾		Other Public Board Memberships	
Member of the Board Member of the Audit Committee Member of the GC&N Committee	None.		

Number of Securities Beneficially Owned, Controlled or Directed⁽²⁾	500,000 ⁽³⁾
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Notes:

- (1) Mr. Pottle was appointed to the Board on April 4, 2022.
- (2) Represents Shares, Options, RSUs, Warrants and any other convertible securities, on a fully diluted basis.
- (3) Mr. Pottle holds RSUs representing the right to receive up to 500,000 Shares upon satisfaction of certain vesting conditions.

MARC RAVNER	Principal Occupation and Biographical Information	
New York, United States Director Since: April 2022 Not Independent	Marc Ravner was a founding member of Loudpack and is currently the President of Integration of the Corporation. Marc began his professional career by transforming a legacy family parking business into a \$100 million real estate portfolio by introducing innovative management, capital markets knowledge, and making prudent acquisitions. Following that, Marc joined the leadership team of Magnum Real Estate Group, one of the fastest growing residential real estate development and management companies in New York City. At Magnum, Marc managed numerous multimillion-dollar development projects. Marc holds a Bachelor of Arts degree from Boston University and a Masters of Science in real estate development from New York University.	
Current Board/Committee Membership⁽¹⁾	Other Public Board Memberships	
Member of the Board	None.	
Number of Securities Beneficially Owned, Controlled or Directed⁽²⁾	390,202 ⁽³⁾	

Notes:

- (1) Mr. Ravner was appointed to the Board on April 4, 2022.
- (2) Represents Shares, Options, RSUs, Warrants and any other convertible securities, on a fully diluted basis.
- (3) Mr. Ravner beneficially owns, or controls or directs, an aggregate of 190,202 Shares directly. Mr. Ravner also holds Options exercisable into an aggregate of 200,000 Shares.

EDWARD M. SCHMULTS		Principal Occupation and Biographical Information	
Rhode Island, United States Director and CEO Since: March 2022 Not Independent	Edward Schmults has more than 30 years of experience in global branded consumer products, omnichannel retail, product development, finance, operations, IT, and green and socially responsible businesses, including CEO roles at FAO Schwarz and Wild Things Gear, and COO roles at Patagonia and Red Envelope, where product quality and customer experience drive the brands' success. In addition, Ed has strong operational experience having set up and improved warehouse, logistics, and technology infrastructure at five different companies. Since 2018, Ed has utilized his extensive knowledge as the CEO of Calyx Peak Companies ("CPC"). In his role at CPC, he set the company vision and direction in multiple states. CPC oversaw licensed facilities for cultivation, manufacturing, and distribution in California; cultivation and manufacturing in Ohio; and cultivation in Nevada. Ed has spoken at numerous cannabis investor conferences as well as at MJBizCon, the cannabis industry annual trade show. Ed began his career in investment banking at Goldman, Sachs & Company. Ed is also on the board of Vera Bradley (Nasdaq: VRA) and Board of Advisors of First Insight, a predictive data analytics company. He is a former Vice Chairman of the Board of REI, the large national outdoor retail company. Ed holds an MBA from Harvard Business School and a BA in Economics and Political Science from Yale University.		
Current Board/Committee Membership⁽¹⁾		Other Public Board Memberships	
Member of the Board		Vera Bradley, Inc. (Nasdaq)	
Number of Securities Beneficially Owned, Controlled or Directed⁽²⁾		8,343,146 ⁽³⁾	

Notes:

- (1) Mr. Schmults was appointed to the Board on March 1, 2022.
- (2) Represents Shares, Options, RSUs, Warrants and any other convertible securities, on a fully diluted basis.
- (3) Mr. Schmults beneficially owns, or controls or directs, an aggregate of 218,145 Shares directly. Mr. Schmults also holds Options exercisable into an aggregate of 7,000,000 Shares and RSUs representing the right to receive up to 1,125,001 Shares upon satisfaction of certain vesting conditions.

JAMES E. SCOTT		Principal Occupation and Biographical Information	
Colorado, United States Director Since: November 2020 Independent	<p>Jim Scott is an entrepreneur and investor with a unique blend of transaction, operating and leadership experience and a passion for business. Since 1998, Jim has been the Managing Partner of Denver-based The Scott Company LLC, a boutique advisory firm and merchant bank. Throughout his career, Jim has worked with or in companies of all sizes – from startup to multibillion dollars. Jim is also the Managing Partner of Littlehorn Investments, LLC, a Denver-based investment fund focused on investing in, or buying, lower market operating businesses. Jim is an Independent Director of Aduro Clean Technologies Inc. (CSE: ACT) and has served on the Board of several private companies, including Denver-based PaySimple Inc. and Receptra Naturals. He is a Past-President and Board Member of Entrepreneurs Organization (EO) Colorado. He served eight years on the Board of Trustees of the YMCA of Metropolitan Denver during which he was the Chair of the Finance Committee, a member of the Executive Committee and ultimately Vice Chairman. Jim was an investment banker with Salomon Brothers Inc. in New York and SBC Warburg in London. Jim graduated Summa Cum Laude from Boston University School of Management in finance and operations management.</p>		
Current Board/Committee Membership⁽¹⁾		Other Public Board Memberships	
Member of the Board Member of the Audit Committee		Aduro Clean Technologies Inc. (CSE)	
Number of Securities Beneficially Owned, Controlled or Directed⁽²⁾		1,020,000 ⁽³⁾	

Notes:

- (1) Mr. Scott was appointed to the Board on November 24, 2020.
- (2) Represents Shares, Options, RSUs, Warrants and any other convertible securities, on a fully diluted basis.
- (3) Mr. Scott beneficially owns, or controls or directs, an aggregate of 160,000 Shares indirectly by Littlehorn Investments LLC (“**Littlehorn**”). Mr. Scott also holds Options exercisable into an aggregate of 150,000 Shares and RSUs representing the right to receive up to 550,000 Shares upon satisfaction of certain vesting conditions. Mr. Scott also beneficially owns, or controls or directs, Warrants exercisable into an aggregate of 160,000 Shares, all of which are held indirectly by Littlehorn.

FELICIA SNYDER		Principal Occupation and Biographical Information	
Toronto, Ontario, Canada Director Since: May 2022 Independent	<p>Felicia Snyder is an entrepreneur, corporate strategist, seasoned cannabis executive and brand builder. She is presently Founder and co-CEO of Arcana, an experiential hospitality brand. Ms. Snyder was a Founding Executive at Tokyo Smoke, one of Canada’s most recognized cannabis brands and a leading Canadian cannabis retailer, where she helped scale the business through its merger with Doja Cannabis and eventual sale to Canopy Growth Corporation (“Canopy Growth”). Post-acquisition, she managed Canopy Growth’s portfolio of premium cannabis brands across all product categories. Prior to Tokyo Smoke, she worked for several years in South Korea with Samsung Electronics in its Global Strategy Group and Smart TV Services Group where she oversaw a variety of projects related to business strategy, acquisitions, investments, partnerships, and development of new products and services. She was also a Senior Market Manager at Google and a Management Consultant at Oliver Wyman, a global consulting firm. She holds an MBA from The Wharton School at the University of Pennsylvania and earned her Bachelor of Commerce at McGill University where she graduated with Great Distinction.</p>		

Proposed Board/Committee Membership ⁽¹⁾	Other Public Board Memberships
Member of the Board Member of the Audit Committee Member of the GC&N Committee	SLANG Worldwide Inc. (CSE)
Number of Securities Beneficially Owned, Controlled or Directed ⁽²⁾	450,000 ⁽³⁾

Notes:

- (1) Ms. Snyder was appointed to the Board on May 26, 2022.
- (2) Represents Shares, Options, RSUs, Warrants and any other convertible securities, on a fully diluted basis.
- (3) Ms. Snyder beneficially owns, or controls or directs, an aggregate of 125,000 Shares directly. Ms. Snyder also holds RSUs representing the right to receive up to 325,000 Shares.

Corporate Cease Trade Orders

Except as disclosed herein, to the knowledge of the Corporation, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

On June 8, 2020, the Ontario Securities Commission (the “**OSC**”) issued a cease trade order (“**CTO**”) against the Corporation in connection with the Corporation’s refiling of certain historical financial statements of FLRish for the fiscal years ended December 31, 2017 and 2018 and the interim period ended March 31, 2019, and financial statements and related management’s discussion and analysis for the interim periods ended June 30, 2019 and September 30, 2019 due primarily to changes in the application of accounting treatments related to certain transactions by FLRish. On June 16, 2020, the OSC issued a management cease trade order (“**MCTO**”) against the Corporation in respect of the delayed filing of its Financial Statements and MD&A. The MCTO was subsequently revoked and, on July 15, 2020, the OSC issued a CTO against the Corporation in connection with the Corporation’s failure to file its Financial Statements and MD&A by the prescribed deadline. The CTOs were revoked on August 31, 2020. Mr. Hawkins was a director of the Corporation at the time the OSC issued the CTOs and the MCTO.

In August 2016, Greenfield Prop Owner, LLC, a limited liability company formed for the purpose of acquiring a parcel of real property and of which Marc Ravner was the sole manager, filed a petition was made for relief under Chapter 11 of the US Bankruptcy Code. The petition was filed to prevent the seller of the property from terminating the relevant purchase agreement, which allowed GPO to obtain an automatic extension of the time to satisfy the conditions precedent thereto and a forum in which to expedite judicial review and decision of various claims. The claims were settled as of November 2016 and the parties completed the real estate purchase in 2017, following which GPO exited bankruptcy protection.

Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, no proposed director:

- (a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

3. Appointment of Auditor

On November 4, 2021, the Corporation announced that, following the recommendation of the Audit Committee, the Board had accepted the resignation of MNP LLP as the auditor of the Corporation effective October 26, 2021 and approved the appointment of Armanino LLP as successor auditor effective October 27, 2021.

Management proposes to re-appoint Armanino LLP as auditor of the Corporation to hold office until the next annual meeting of Shareholders. An affirmative vote of a majority of the votes cast at the Meeting is sufficient for the re-appointment of the auditor.

The Board recommends that Shareholders vote FOR the re-appointment of Armanino LLP as auditor of the Corporation.

SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE RE-APPOINTMENT OF ARMANINO LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITOR OF THE CORPORATION AND THE AUTHORIZING OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person or company who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last completed financial year, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's profile on SEDAR at www.sedar.com. Financial information is provided in the Corporation's Financial Statements and MD&A for the financial year ended December 31, 2022. In addition, copies of the Corporation's annual Financial Statements, MD&A and this Circular may be obtained upon request to the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a Shareholder of the Corporation.

APPROVAL OF BOARD OF DIRECTORS

The contents of this Circular and the sending of it to each director of the Corporation, to the auditor of the Corporation, to the Shareholders and to the appropriate governmental agencies, have been approved by the directors of the Corporation.

Dated: August 8, 2023.

“Matthew K. Hawkins”

Matthew K. Hawkins
Chairman and Director

SCHEDULE "A"
DIRECTORS' MANDATE

(Please see attached)

**StateHouse Holdings Inc.
(the “Corporation”)**

DIRECTORS’ MANDATE

Directors’ Responsibilities

The directors of the Corporation (the “**Directors**”) are responsible for the stewardship of the Corporation. To discharge this obligation, the Directors, directly and through the applicable committees of the board of Directors (the “**Board**”), should assume responsibility in the following areas:

Strategic Planning Process

- Provide input to management on emerging trends and issues.
- Adopt, review and approve, if appropriate, management’s strategic plans on an annual basis.
- Review and approve the Corporation’s budget, financial objectives, plans and actions, including significant capital allocations and expenditures.

Monitoring Tactical Progress

- Monitor corporate performance against the strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.
- Analyze and discuss information relating to the Corporation’s achievement of objectives.
- Assess and oversee the nature and scope of monitoring activities and management’s evaluation and remediate deficiencies.

Risk Assessment

- Identify the principal risks of the Corporation’s businesses and ensure that appropriate systems are in place to manage these risks.
- Oversee management’s assessment of risks to the achievement of the Corporation’s objectives, including the potential impact of significant changes, fraud and management override of internal control.

Senior Level Staffing

- Select, monitor and evaluate the Chief Executive Officer and other senior executives, and ensure the adoption of a management succession plan.
- Approve a position description for the Chief Executive Officer, including limits to management’s responsibilities and corporate objectives which the Chief Executive Officer is responsible for meeting, all upon recommendation from the Corporate Governance and Nominating Committee.

- Satisfy itself as to the integrity of the Chief Executive Officer and other executive officers.
- Satisfy itself that the Chief Executive Officer and other executive officers create, maintain and foster a culture of integrity throughout the Corporation.
- Engage in succession planning, including appointing, training and monitoring senior management.

Integrity

- Provide oversight to the Chief Executive Officer and other executive officers in the development and performance of control activities.
- Ensure the integrity of the Corporation's internal control and management information systems.
- Ensure ethical behaviour and compliance with applicable laws and regulations, audit and accounting principles, and the Corporation's own governing documents, and accountability to the Board.
- Satisfy itself as to the integrity of the Chief Executive Officer and other executive officers and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the organization.

Material Transactions

- Review and approve material transactions not in the ordinary course of business.
- Review any potential related party transaction or non-arm's length transaction regardless of materiality.

Monitoring Directors' Effectiveness

- Assess their own effectiveness in fulfilling the above and Directors' responsibilities, including monitoring the effectiveness of individual Directors.
- Define, maintain, and periodically evaluate the skills and expertise needed among its members to enable them to ask probing questions of senior management and take commensurate actions.

Disclosure Policy and Code of Business Conduct

- Adopt, monitor and periodically review the effectiveness of a corporate disclosure policy and a code of business conduct.
- Make determinations with respect to waiving compliance with the code of business conduct by Directors and executive officers.
- The Board may delegate responsibility for making determinations with respect to waiving compliance with the code of business conduct to a committee of the Board.

Feedback from Shareholders

- Develop measures for the receipt, by Directors, of feedback from shareholders.

Expectations of Directors

- Directors are expected to attend all meetings.
- The specific dates of Board meetings to approve interim and annual financial results shall be scheduled at the commencement of each fiscal year.
- Additional meetings of the Board shall be called on an as-required basis.
- Directors are expected to review materials to be presented at Board meetings prior to such meetings. Such materials are to be circulated with sufficient advanced notice to allow Board members adequate review time. However, for unscheduled meetings, shorter notice may be necessary.

Corporate Governance

- Develop the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation.
- The Board may delegate this responsibility to a committee of the directors, which committee shall have a majority of "Independent" directors (as such term is defined in National Policy 58-201 – *Corporate Governance Guidelines*) and the remaining members of which, if any, shall be "non-management" directors.

Other

- Perform such other functions as prescribed by law or assigned to the Directors in the Corporation's constating documents, policies and guidelines.

SCHEDULE "B"
AUDIT COMMITTEE CHARTER

(Please see attached)

STATEHOUSE HOLDINGS INC.
(the “Corporation”)

AUDIT COMMITTEE CHARTER

(Implemented pursuant to National Instrument 52-110 – *Audit Committees*)

National Instrument 52-110 – *Audit Committees* (the “**Instrument**”) relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every Canadian Securities Exchange (the “**Exchange**”) listed company, including the Corporation. The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors. The Corporation, as an Exchange listed company is, however, exempt from certain requirements of the Instrument.

This Charter has been adopted by the board of directors of the Corporation (the “**Board**”) in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the Board or the Committee to alter or vary procedures in order to comply more fully with the Instrument or any other such requirement of the Exchange, as applicable from time to time.

PART 1

Purpose:

The purpose of the Committee is to:

- (a) improve the quality of the Corporation’s financial reporting;
- (b) assist the Board to properly and fully discharge its responsibilities;
- (c) provide an avenue of enhanced communication between the directors and external auditors;
- (d) enhance the external auditor’s independence;
- (e) ensure the credibility and objectivity of financial reports; and
- (f) strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

1.1 Definitions

“**accounting principles**” has the meaning ascribed to it in National Instrument 52-107 – *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

“**Affiliate**” means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

“**audit services**” means the professional services rendered by the Corporation's external auditor for the audit and review of the Corporation's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

“**Charter**” means this audit committee charter;

“**Committee**” means the Audit Committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

“**Control Person**” means any individual or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation;

“**financially literate**” has the meaning set forth in Section 1.2;

“**immediate family member**” means a person's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person's immediate family member) who shares the individual's home;

“**Instrument**” means National Instrument 52-110 – *Audit Committees*;

“**MD&A**” has the meaning ascribed to it in National Instrument 51-102;

“**Member**” means a member of the Committee;

“**National Instrument 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*; and

“**non-audit services**” means services other than audit services.

1.2 Meaning of Financially Literate

For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

PART 2

2.1 Audit Committee

The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors and Other Parties

The Corporation will require its external auditor to report directly to the Committee and its Members shall ensure that such is the case.

Each Member shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives information, and the accuracy of the information provided to the Corporation by such other persons or organizations.

2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the Board of directors:
 - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
 - (b) the compensation of the external auditor.
2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
 - (a) reviewing the audit plan with management and the external auditor;
 - (b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
 - (c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
 - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;

- (e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
 - (f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
 - (g) reviewing interim unaudited financial statements before release to the public;
 - (h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report and management's discussion and analysis;
 - (i) reviewing the evaluation of internal controls by the external auditor, together with management's response;
 - (j) reviewing the terms of reference of the internal auditor, if any;
 - (k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
 - (l) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable.
3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.
 4. The Committee shall review the Corporation's financial statements, MD&A, and annual and interim earnings press releases before the Corporation publicly discloses this information.
 5. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.
 6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.
 7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102, on a routine basis, whether or not there is to be a change of auditor.
 8. The Committee shall, as applicable, establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
9. As applicable, the Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.
 10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.
 11. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations, each of which is the responsibility of management and the Corporation's external auditors.

2.4 *De Minimis* Non-Audit Services

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent (5%) of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the financial year in which the services are provided;
- (b) the Corporation or the subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 Delegation of Pre-Approval Function

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 2.5(1) must be presented to the Committee at its first scheduled meeting following such pre-approval.

PART 3

3.1 Composition

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. A majority of the Members shall not be employees, Control Persons or executive officers of the Corporation or any affiliate of the Corporation.
4. If practicable, given the composition of the Board, every Member shall be financially literate.
5. If practicable, given the composition of the Board, every Member shall be independent.
6. The Board shall appoint or re-appoint the Members after each annual meeting of shareholders of the Corporation.

PART 4

4.1 Authority

Until the replacement of this Charter, the Committee shall have the authority to:

- (a) engage independent legal counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee;
- (c) communicate directly with the internal and external auditors; and
- (d) recommend the amendment or approval of audited and interim financial statements to the Board.

PART 5

5.1 Disclosure in Information Circular

If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).

PART 6

6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.
4. The quorum for meetings shall be a majority of the Members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and to hear each other. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present.