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

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form 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.

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, possessions or the District of Columbia (the "**United States**"), or to a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act) (a "**U.S. Person**") unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States or to, or for the account or benefit of, any U.S. Person. See "Plan of Distribution".*

***Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the General Counsel of Planet 13 Holdings Inc., at 4850 West Sunset Road, Unit 130, Las Vegas, Nevada 89118, telephone (702) 206-1313, and are also available electronically at www.sedar.com.*

PRELIMINARY SHORT FORM PROSPECTUS

New Issue November 14, 2018

PLANET 13 HOLDINGS INC.

$25,005,000

8,335,000 Units

Price: $3.00 per Unit

This preliminary short form prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") of 8,335,000 units (the "**Units**") of Planet 13 Holdings Inc. (the "**Corporation**" or "**Planet 13**") at a price of $3.00 per Unit (the "**Offering Price**"). Each Unit consists of one common share ("**Common Share**") in the capital of the Corporation (each, a "**Unit Share**") and one-half of one common share purchase warrant of the Corporation (each whole common share purchase warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Common Share (each, a "**Warrant Share**") at an exercise price of $3.75 for a period of 36 months following the Closing Date (as defined herein), provided that the Corporation may accelerate the expiry date of the Warrants on not less than 30 days' notice should the daily volume weighted average closing price of the Common Shares on the Canadian Securities Exchange (the "**CSE**") (or such other exchange on which the outstanding Common Shares may trade) be greater than $5.00 for any 20 consecutive trading days. The Warrants will be governed by a warrant indenture (the "**Warrant Indenture**") to be entered into on or before the Closing Date between the Corporation and Odyssey Trust Company (the "**Warrant Agent**"), as warrant agent. See "*Description of Securities Being Distributed*".

The Units are being issued pursuant to an underwriting agreement dated November 14, 2018 (the "**Underwriting Agreement**"), among the Corporation and Beacon Securities Limited, as lead underwriter (the "**Lead Underwriter**"), and Canaccord Genuity Corp. and Cormark Securities Inc. (collectively, with the Lead Underwriter, the "**Underwriters**"). See "*Plan of Distribution*".

The Common Shares are listed and posted for trading on the CSE under the symbol "PLTH" and on the OTCQB Venture Market (the "**OTCQB**") under the symbol "PLNHF". On November 7, 2018, the last trading day prior to the announcement of the Offering, the closing price per Common Share on the CSE was $3.23 and on the OTCQB was US$2.5197. On November 13, 2018, the last trading day prior to the date of this Prospectus, the closing price per Common Share on the CSE was $2.81 and on the OTCQB was US$2.12.

The Corporation has given notice to the CSE to list the Unit Shares, the Warrants, the Warrant Shares and the Compensation Option Shares (as defined below) on the CSE. Listing will be subject to the Corporation fulfilling all of the listing requirements of the CSE. **There is currently no market through which the Warrants may be sold and purchasers may not be able to resell such Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. See "*Risk Factors*".**

	Price to the Public[(1)]	Underwriters' Fee[(2)]	Net Proceeds to the Corporation[(3)(4)]
Per Unit.....	$3.00	$0.18	$2.82
Total.....	$25,005,000	$1,500,300	$23,504,700

(1) The Offering Price was determined by arm's length negotiation between the Corporation and the Lead Underwriter, on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares.

(2) The Corporation has agreed to pay the Underwriters a cash fee (the "**Underwriters' Fee**") equal to 6% of the gross proceeds from the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option (as defined herein)). In addition, the Underwriters will be issued non-transferable compensation options (the "**Compensation Options**") entitling the Underwriters to purchase that number of Common Shares (the "**Compensation Option Shares**") equal to 6% of the number of Units sold pursuant to the Offering (including any additional Units sold pursuant to the Over-Allotment Option). Each Compensation Option shall entitle the Underwriters to acquire one Compensation Option Share at a price of $3.00, subject to customary adjustment, for a period of 24 months following the Closing Date. See "*Plan of Distribution*".

(3) After deducting the Underwriters' Fee, but before deducting the expenses of the Offering (estimated to be approximately $500,000), which together with the Underwriters' Fee, will be paid from the gross proceeds of the Offering.

(4) The Underwriters have been granted an over-allotment option, exercisable, in whole or in part, at any time, and from time to time, on or before the 30th day following the Closing Date (the "**Over-Allotment Deadline**"), to purchase up to an additional 1,250,250 Units (the "**Over-Allotment Units**") at the Offering Price to cover the Underwriters' over-allocation position, if any, and for market stabilization purposes (the "**Over-Allotment Option**"). The Over-Allotment Option may be exercised by the Underwriters to acquire: (i) up to 1,250,250 Over-Allotment Units at the Offering Price; (ii) up to 1,250,250 additional Unit Shares (the "**Over-Allotment Shares**") at a price of $2.78 per Over-Allotment Share (the "**Over-Allotment Share Price**"); (iii) up to 625,125 additional Warrants (the "**Over-Allotment Warrants**") at a price of $0.44 (being $0.22 per each half Over-Allotment Warrant) per Over-Allotment Warrant (the "**Over-Allotment Warrant Price**"); or (iv) any combination of Over-Allotment Units at the Offering Price, Over-Allotment Shares at the Over-Allotment Share Price and Over-Allotment Warrants at the Over-Allotment Warrant Price, provided that the aggregate number of Over-Allotment Shares that may be issued under such Over-Allotment Option does not exceed 1,250,250 and the aggregate number of Over-Allotment Warrants that may be issued under such Over-Allotment Option does not exceed 625,125. The Over-Allotment Option is exercisable by the Lead Underwriter giving notice to the Corporation prior to the Over-Allotment Deadline, which notice shall specify the number of Over-Allotment Units, Over-Allotment Shares and/or Over-Allotment Warrants to be purchased. If the Over-Allotment Option is exercised in full, the total "Price to the Public", "Underwriters' Fee" and "Net Proceeds to the Corporation" will be $28,755,750, $1,725,345 and $27,030,405, respectively. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Units, Over-Allotment Shares or Over-Allotment Warrants forming part of the Underwriters' over-allocation position acquires those Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "*Plan of Distribution*".

The following table sets out the maximum number of securities under options issuable to the Underwriters in connection with the Offering (assuming the Over-Allotment Option is exercised in full):

Underwriters' Position	Maximum Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option[(1)]	1,250,250 Over-Allotment Units	For a period of 30 days from and including the Closing Date	$3.00 per Over-Allotment Unit $2.78 per Over-Allotment Share $0.44 per Over-Allotment Warrant
Compensation Options[(2)]	575,115 Compensation Option Shares	For a period of 24 months from the Closing Date	$3.00 per Compensation Option Share

(1) This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants issuable upon exercise of the Over-Allotment Option. See "*Plan of Distribution*".
(2) This Prospectus qualifies the grant of the Compensation Options. See "*Plan of Distribution*".

Unless the context otherwise requires, when used herein, all references to the "Offering" include the exercise of the Over-Allotment Option, all references to "Units" include the Over-Allotment Units issuable upon exercise of the Over-Allotment Option, all references to "Unit Shares" include the Over-Allotment Shares issuable upon exercise of the Over-Allotment Option, all references to "Warrants" include the Over-Allotment Warrants issuable upon exercise of the Over-Allotment Option, and all references to "Warrant Shares" include the Common Shares issuable upon exercise of the Over-Allotment Warrants.

Investing in the Units is speculative and involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. A prospective purchaser should therefore review this Prospectus and the documents incorporated by reference herein in their entirety and carefully consider the risk factors described under the section "Risk Factors" in this Prospectus and in the AIF (as defined herein) which is available under the Corporation's issuer profile on SEDAR at www.sedar.com, prior to investing in the Units. See "*Caution Regarding Forward-Looking Statements*" and "*Risk Factors*".

Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Units, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires the Units.

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution", subject to the approval of certain legal matters on behalf of the Corporation by Cassels Brock & Blackwell LLP and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP.

Subscriptions for the Units will be received subject to rejection or allotment, in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about December 4, 2018, or such other date as may be agreed upon by the Corporation and the Underwriters, but in any event not later than 42 days after the date of the receipt for the (final) short form prospectus (the "**Closing Date**"). In connection with the Offering, and subject to applicable laws, the Underwriters may over-allot or effect transactions that are intended to stabilize or maintain the market price of the Common Shares at levels other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters may offer the Units at a lower price than stated above. See "*Plan of Distribution*"**.

It is anticipated that the Unit Shares and Warrants comprising the Units will be delivered under the book-based system through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and deposited in electronic form, or will otherwise be delivered to the Underwriters registered as directed by the Underwriters, on the Closing Date. Except in limited circumstances, a purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Unit Shares and Warrants on behalf of owners who have purchased Units in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required. See "*Plan of Distribution*".

The Corporation has two classes of issued and outstanding shares: (i) Common Shares; and (ii) convertible, restricted voting shares (the "**Restricted Voting Shares**"). The restrictions on conversion of the Restricted Voting Shares are designed to prevent the Corporation from becoming a "domestic issuer" ("**Domestic Issuer**") as defined under Rule 902(e) of Regulation S pursuant to the U.S. Securities Act of 1933. Generally, the Corporation will be a Domestic Issuer if: (A) 50% or more of the holders of Common Shares are U.S. Persons (as defined under the U.S. Securities Act); and either (B) (i) the majority of the executive officers or directors of the Corporation are United States citizens or residents; (ii) the Corporation has 50% or more of its assets located in the United States; or (iii) the business of the Corporation is principally administered in the United States. As there are no restrictions on issue or transfer of the Common Shares, there is no guarantee that the Corporation will not become a Domestic Issuer in the future. Unlike the Common Shares, the Restricted Voting Shares will not entitle the holder to exercise voting rights, in respect of the election or removal of directors of the Corporation. See "*The Corporation – Description of the Share Capital of the Corporation*" for further details.

Robert Groesbeck, Larry Scheffler and Michael Harman, each a director of the Corporation, reside outside of Canada and has each appointed Cassels Brock & Blackwell LLP, Suite 2100, Scotia Plaza, 40 King Street West, Toronto, Ontario M5H 3C2, as his agent for service of process in Canada. Macias, Gini & O'Connell, LLP, the auditor in respect of certain financial statements attached to the Listing Statement (as defined herein), is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that resides outside of Canada or is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction, even if the party has appointed an agent for service of process.

The Corporation's head office is located at 4850 West Sunset Road, Unit 130, Las Vegas, Nevada 89118 and registered office is located at 82 Richmond Street East, Suite 400, Toronto, Ontario M5C 1P1.

This Prospectus qualifies the distribution of securities of an entity that currently derives, directly and indirectly, a substantial portion of its revenues from the cannabis industry in the State of Nevada, which industry is illegal under U.S. federal law and enforcement of relevant laws is a significant risk. The Corporation is directly involved (through its wholly-owned and licensed Nevada subsidiary MM Development Company, Inc. ("MMDC")) in the cannabis industry in the United States where local state laws permit such activities. Currently, MMDC is directly engaged in the manufacture, possession, use, sale or distribution of cannabis in the recreational and medicinal cannabis marketplaces in the State of Nevada. Third party service providers could suspend or withdraw services as a result of the Corporation operating in an industry that is illegal under U.S. federal law.

The United States federal government regulates drugs through the Controlled Substances Act (21 U.S.C. § 811) (the "CSA"), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I drug. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. The United States Food and Drug Administration has not approved marijuana as a safe and effective drug for any indication.

On January 4, 2018, former U.S. Attorney General Jeff Sessions issued a memorandum to U.S. district attorneys which rescinded previous guidance from the U.S. Department of Justice specific to cannabis enforcement in the United States, including the Cole Memo (as defined in the AIF). With the Cole Memo rescinded, U.S. federal prosecutors have been given discretion in determining whether to prosecute cannabis related violations of U.S. federal law. If the Department of Justice pursues prosecutions, then the Corporation could face: (i) seizure of its cash and other assets used to support or derived from its cannabis subsidiaries; (ii) the arrest of its employees, directors, officers, managers and investors, and charges of ancillary criminal violations of the CSA for aiding and abetting and conspiring to violate the CSA by virtue of providing financial support to cannabis companies that service or provide goods to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis; or (iii) barring employees, directors, officers, managers and investors who are not U.S. citizens from entry into the United States for life.

Despite the current state of the federal law and the CSA, the States of California, Nevada, Massachusetts, Maine, Washington, Oregon, Colorado, Vermont, Michigan and Alaska, and the District of Columbia, have legalized recreational use of cannabis. Massachusetts, Michigan and Maine have not yet begun recreational cannabis commercial operations. In early 2018, Vermont became the first state to legalize recreational cannabis by passage in a state legislature, but does not allow commercial sales of recreational cannabis. Although the District of Columbia voters passed a ballot initiative in November 2014, no commercial recreational operations exist because of a prohibition on using funds for regulation within a federal appropriations amendment to local District spending powers. In addition, over half of the U.S. states have enacted legislation to legalize and regulate the sale and use of medical cannabis, provided that certain states have legalized and regulate the sale and use of medical cannabis with strict limits on the levels of Tetrahydrocannabinol (THC).

There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress amends the CSA with respect to medical and/or adult-use cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current U.S. federal law. If the

U.S. federal government begins to enforce U.S. federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, the Corporation's business, results of operations, financial condition and prospects would be materially adversely affected.

In light of the political and regulatory uncertainty surrounding the treatment of U.S. cannabis-related activities, including the rescission of the Cole Memo discussed above, on February 8, 2018 the Canadian Securities Administrators published a staff notice ("Staff Notice 51-352") setting out the Canadian Securities Administrator's disclosure expectations for specific risks facing issuers with cannabis-related activities in the United States. Staff Notice 51-352 confirms that a disclosure-based approach remains appropriate for issuers with U.S. cannabis-related activities. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with U.S. cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the U.S. cannabis industry.

The Corporation holds assets, leases, real estate holdings, and serves its customers and patients from its cannabis facility located in Las Vegas. The Corporation's dispensary is approximately 40,000 square feet and is in full compliance with Nevada Revised Statutes 453A and 453D, and the regulations thereunder, which outline the State of Nevada's rules and regulations for establishing and managing medical and retail cannabis dispensaries. The Corporation currently produces the majority of its cannabis product and its primary cultivation facility in Las Vegas which is approximately 16,000 square feet of total tenant occupied space (with 9,200 square feet utilized specifically for cultivation activities). The foregoing assets are held by the Corporation (directly or through MMDC) and the Corporation is directly involved in the cultivation and distribution of medical and retail cannabis for the purposes of Staff Notice 51-352. As of September 30, 2018, all of the Corporation's assets and operations are currently related to U.S. marijuana related activities.

The Corporation's objective is to capitalize on the opportunities presented as a result of the changing regulatory environment governing the cannabis industry in the United States. Accordingly, there are a number of significant risks associated with the business of the Corporation. Unless and until the United States Congress amends the CSA with respect to medical and/or adult-use cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a significant risk that federal authorities may enforce current U.S. federal law, and the Corporation could face charges related to producing, cultivating, extracting, or dispensing cannabis, including aiding or abetting or otherwise engaging in a conspiracy to commit such acts in violation of federal law in the United States.

For these reasons, the Corporation's operations in the United States cannabis market may subject the Corporation to heightened scrutiny by regulators, stock exchanges, clearing agencies and other Canadian authorities. There are a number of risks associated with the business of the Corporation. See the sections entitled "*Risk Factors*" in this Prospectus and in the AIF".

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GENERAL MATTERS

An investor should rely only on the information contained in this Prospectus (including the documents incorporated by reference herein) and is not entitled to rely on parts of the information contained in this Prospectus (including the documents incorporated by reference herein) to the exclusion of others. The Corporation and the Underwriters have not authorized anyone to provide investors with additional or different information. The Corporation and the Underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may provide prospective purchasers. Information contained on, or otherwise accessed through, the Corporation's website shall not be deemed to be a part of this Prospectus and such information is not incorporated by reference, despite any references to such information in this Prospectus or the documents incorporated by reference herein, and prospective purchasers should not rely on such information when deciding whether or not to invest in the Units. Other than this Prospectus in electronic format, the information on the Underwriters' website and any information contained in any other website maintained by the Underwriters or their affiliates is not part of this Prospectus, has not been approved and/or endorsed by the Corporation or the Underwriters and should not be relied upon by prospective purchasers.

The Corporation and the Underwriters are not offering to sell the Units in any jurisdictions where the offer or sale of the Units is not permitted. The information contained in this Prospectus (including the documents incorporated by reference herein) is accurate only as of the date of this Prospectus (or the date of the document incorporated by reference herein, as applicable), regardless of the time of delivery of this Prospectus or any sale of the Units. The business, financial condition, results of operations and prospects of the Corporation may have changed since those dates. The Corporation does not undertake to update the information contained or incorporated by reference herein, except as required by applicable Canadian securities laws.

This Prospectus shall not be used by anyone for any purpose other than in connection with the Offering.

The documents incorporated or deemed to be incorporated by reference herein contain meaningful and material information relating to the Corporation and prospective purchasers should review all information contained in this Prospectus and the documents incorporated or deemed to be incorporated by reference herein.

MEANING OF CERTAIN REFERENCES AND CURRENCY PRESENTATION

References to dollars or "$" are to Canadian currency unless otherwise indicated. All references to "US$" refer to United States dollars. On November 13, 2018, the daily exchange rate for the United States dollar in terms of Canadian dollars, as quoted by the Bank of Canada, was US$1.00 = $1.3241.

Unless the context otherwise requires, all references in this Prospectus to the "Corporation" refer to the Corporation and its subsidiary entities on a consolidated basis.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, the market and industry data contained or incorporated by reference in this Prospectus is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Corporation and the Underwriters believe these sources to be generally reliable, market and industry data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey. Neither the Corporation nor the Underwriters have independently verified any of the data from third party sources referred to or incorporated by reference herein and accordingly, the accuracy and completeness of such data is not guaranteed.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus, including the documents incorporated herein by reference, contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws and United States securities laws. All information, other than statements of historical facts, included in this Prospectus that addresses activities, events or developments that the Corporation expects or anticipates will or may occur in the future is forward-looking information. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes, among others, information regarding: expectations for the effects of the Business Combination (as defined herein); statements relating to the business and future activities of, and developments related to, the Corporation

after the date of this Prospectus, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Corporation's business, operations and plans, including the addition of other unique attractions to the Corporation's cannabis entertainment complex in Las Vegas, Nevada, new revenue streams, the completion by the Corporation of contemplated acquisitions of additional real estate, cultivation and licensing assets, the roll out of new dispensaries, the application for additional licenses and the grant of licenses or renewals of existing licenses that have been applied for, the expansion of existing cultivation and production facilities, the completion of cultivation and production facilities that are under construction, the construction of additional cultivation and production facilities, the expansion into additional U.S. markets, any potential future legalization of adult-use and/or medical cannabis under U.S. federal law; expectations of market size and growth in the United States and the states in which the Corporation operates or contemplates future operations; expectations for other economic, business, regulatory and/or competitive factors related to the Corporation or the cannabis industry generally; and other events or conditions that may occur in the future.

Readers are cautioned that forward-looking information and statements are not based on historical facts but instead are based on reasonable assumptions and estimates of management of the Corporation at the time they were provided or made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements. Such factors include, among others, risks relating to the concentrated voting control of the Corporation and the unpredictability caused by the existing capital structure; U.S. regulatory landscape and enforcement related to cannabis, including political risks; risks relating to anti-money laundering laws and regulation; other governmental and environmental regulation; public opinion and perception of the cannabis industry; risks related to contracts with third party service providers; risks related to the enforceability of contracts; the limited operating history of the Corporation; reliance on the expertise and judgment of senior management of the Corporation; risks inherent in an agricultural business; risks related to proprietary intellectual property and potential infringement by third parties; risks relating to financing activities including leverage; risks relating to the management of growth; increased costs associated with the Corporation becoming a publicly traded company; increasing competition in the industry; risks relating to energy costs; risks associated to cannabis products manufactured for human consumption including potential product recalls; reliance on key inputs, suppliers and skilled labour; cyber-security risks; ability and constraints on marketing products; fraudulent activity by employees, contractors and consultants; tax and insurance related risks; risks related to the economy generally; risk of litigation; conflicts of interest; risks relating to certain remedies being limited and the difficulty of enforcement of judgments and effect service outside of Canada; risks related to future acquisitions or dispositions; sales by existing shareholders; the limited market for securities of the Corporation; limited research and data relating to cannabis; and other factors beyond the Corporation's control, as well as those risk factors discussed elsewhere herein and in the documents incorporated by reference herein.

Prospective purchasers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Corporation has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information and statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such information and statements. Accordingly, prospective purchasers should not place undue reliance on forward-looking information and statements, including the documents incorporated herein by reference, as statements containing forward-looking information involve significant risks and uncertainties and should not be read as guarantees of future results, performance, achievements, prospects and opportunities. The forward-looking information and statements contained herein are presented for the purposes of assisting prospective purchasers in understanding the Corporation's expected financial and operating performance and the Corporation's plans and objectives and may not be appropriate for other purposes.

The forward-looking information and statements contained in this Prospectus, including the documents incorporated herein by reference, represent the Corporation's views and expectations as of the date of this Prospectus and forward-looking information and statements contained herein represent the Corporation's views as of the date of hereof. The Corporation anticipates that subsequent events and developments may cause its views to change. However, while the Corporation may elect to update such forward-looking information and statements at a future time, it has no current intention of doing so except to the extent required by applicable law.

ELIGIBILITY FOR INVESTMENT

In the opinion of Cassels Brock & Blackwell LLP, counsel to the Corporation, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder, in force as of the date hereof, the Unit Shares, Warrants, and Warrant Shares, if issued on the date hereof, would be qualified investments for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account (collectively, "**Registered Plans**") or a deferred profit sharing plan ("**DPSP**"), provided that:

(i) in the case of the Unit Shares and the Warrant Shares, the Unit Shares or Warrant Shares are listed on a designated stock exchange in Canada for the purposes of the Tax Act (which currently includes the CSE) or the Corporation qualifies as a "public corporation" (as defined in the Tax Act); and

(ii) in the case of the Warrants, the Warrants are listed on a designated stock exchange or the Warrant Shares are qualified investments as described in (i) above and the Corporation is not, and deals at arm's length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Registered Plan or DPSP.

Notwithstanding the foregoing, the holder of, or annuitant or subscriber under, a Registered Plan (the "**Controlling Individual**") will be subject to a penalty tax in respect of Unit Shares, Warrant Shares or Warrants held in the Registered Plan if such securities are a prohibited investment for the particular Registered Plan. A Unit Share, Warrant Share or Warrant generally will be a "prohibited investment" for a Registered Plan if the Controlling Individual does not deal at arm's length with the Corporation for the purposes of the Tax Act or the Controlling Individual has a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in the Corporation. Controlling Individuals should consult their own tax advisors as to whether the Unit Shares, Warrant Shares or Warrants will be a prohibited investment in their particular circumstances.

Persons who intend to hold Unit Shares, Warrants or Warrant Shares in a Registered Plan, should consult their own tax advisors in regard to the application of these rules in their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the General Counsel of the Corporation, at 4850 West Sunset Road, Unit 130, Las Vegas, Nevada 89118, and are also available electronically at www.sedar.com.

The following documents, filed with the various securities commissions or similar authorities in each of the provinces of British Columbia, Alberta, Ontario, Nova Scotia, Prince Edward Island and Newfoundland and Labrador are specifically incorporated by reference into and form an integral part of this Prospectus:

1. the annual information form of the Corporation dated October 18, 2018, in respect of the fiscal year ended December 31, 2017, as updated to October 18, 2018 to reflect the completion of the Business Combination (the "**AIF**");
2. the audited annual financial statements of the Corporation (as it existed prior to the completion of the Business Combination) and the notes thereto as at and for the fiscal year ended June 30, 2017 and 2016, together with the auditors' report thereon;
3. the management's discussion and analysis of the Corporation (as it existed prior to the completion of the Business Combination) for the fiscal year ended June 30, 2017 and 2016;
4. the unaudited condensed interim consolidated financial statements of the Corporation as at, and for the three and nine month periods ended September 30, 2018, together with the notes thereto (the "**Interim Financial Statements**");
5. the management's discussion and analysis of the Corporation for the three and nine month periods ended September 30, 2018 (the "**Interim MD&A**");
6. the sections entitled "Principal Shareholders" and "Executive Compensation", as well as Schedules "C", "E" and "G" in the listing statement of the Corporation dated May 24, 2018 (the "**Listing Statement**");

7. the material change report of the Corporation dated January 29, 2018 announcing the completion of a non-brokered private placement of special warrants;

8. the material change report of the Corporation dated February 16, 2018 announcing the entering into of a binding letter of intent in connection with the Business Combination;

9. the material change report of the Corporation dated May 4, 2018 announcing the entering into of definitive agreements in connection with the Business Combination and the completion of a private placement of subscription receipts;

10. the material change report of the Corporation dated June 14, 2018 announcing the completion of the Business Combination;

11. the material change report of the Corporation dated July 27, 2018 announcing the extension of a $1.26 million loan against the Corporation's Clark County facilities;

12. a template version of the term sheet in respect of the Offering dated November 8, 2018, as amended (collectively, the "**Marketing Materials**"); and

13. the material change report of the Corporation dated November 12, 2018 in respect of the Offering.

Any document of the types (i) referred to in the preceding paragraphs (a) through (j), or (ii) described in section 11.1 of Form 44-101F1 – *Short Form Prospectus*, filed by the Corporation with the securities regulatory authorities in each of the provinces of British Columbia, Alberta, Ontario, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, after the date of this Prospectus and prior to the termination of the Offering, shall be deemed to be incorporated by reference in and form an integral part of this Prospectus. The documents incorporated or deemed to be incorporated by reference in this Prospectus contain meaningful and material information relating to the Corporation, and prospective investors should review all information contained in this Prospectus and the documents incorporated by reference in this Prospectus before making an investment decision.

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 or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference herein modifies, replaces or supersedes such statement. 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 that it modifies or supersedes. The making of 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 was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

MARKETING MATERIALS

Any "template version" of "marketing materials" (as such terms are defined in National Instrument 41-101 — *General Prospectus Requirements*) will be incorporated by reference into the (final) short form prospectus. However, any such template version of marketing materials will not form part of the (final) short form prospectus to the extent that the contents of the template version of marketing materials are modified or superseded by a statement contained in the (final) short form prospectus. Any template version of marketing materials filed on SEDAR after the date of the (final) short form prospectus and before the termination of the distribution under the Offering will be deemed to be incorporated into the (final) short form prospectus.

THE CORPORATION

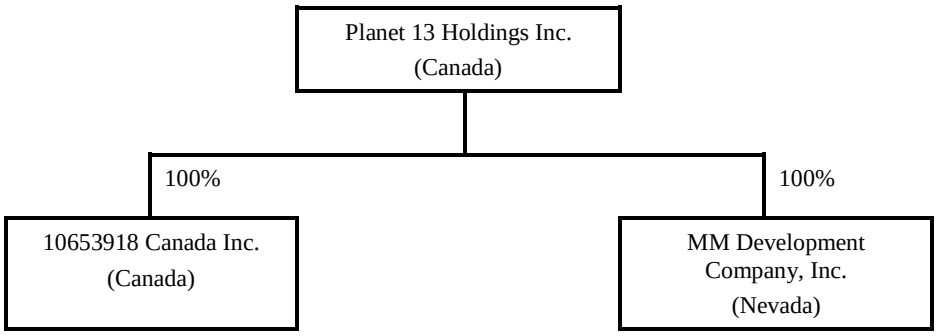
Corporate Structure

The Corporation was incorporated under the *Canada Business Corporations Act* on April 26, 2002 under the name "High Income Preferred Shares Corporation". On October 18, 2010, Wombat Investment Trust acquired control of the Corporation and on January 1, 2011 the Corporation changed its name to "Carpincho Capital Corp."

Subsequent to its most recently completed financial year, the Corporation completed the Business Combination and filed articles of amendment to effect: (i) a consolidation of its share capital on a 0.875 (new) for one (1) old basis (the "**Consolidation**"); (ii) a name change from "Carpincho Capital Corp." to "Planet 13 Holdings Inc."; and (iii) the creation of the Restricted Voting Shares. The Restricted Voting Shares are convertible into Common Shares at the option of the holder or the Corporation on a share-for-share basis. Holders of Restricted Voting Shares are not entitled to vote on the election or removal of directors of the Corporation. The Common Shares are listed for trading on the CSE under the symbol "PLTH" and on the OTCQB under the symbol "PLNHF".

The registered office of the Corporation is located at 82 Richmond Street East, Suite 400, Toronto, Ontario M5C 1P1, and the head office of the Corporation is located at 4850 West Sunset Road, Unit 130, Las Vegas, Nevada 89118.

The following diagram presents the inter-corporate relationships among the Corporation and its subsidiaries, as constituted immediately following the completion of the Business Combination and as at the date hereof. MMDC owns the current licenses for cultivation, production, and dispensing in Nevada which were beneficially transferred to the Corporation upon completion of the Business Combination.



Description of the Share Capital of the Corporation

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Restricted Voting Shares. As at the date of this Prospectus, 64,265,460 Common Shares and 55,232,940 Restricted Voting Shares were issued and outstanding.

Common Shares

Holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors of the Corporation (the "**Board**"), to one vote per share at meetings of shareholders of the Corporation and, upon dissolution, to share equally in such assets of the Corporation as are distributable to the holders of Common Shares.

Restricted Voting Shares

Holders of Restricted Voting Shares: (i) have equal rateable rights among themselves and the holders of the Common Shares to dividends from funds legally available therefor, when, as, and if declared by the board of directors of the Corporation; (ii) are entitled to share rateably with the holders of Common Shares in all of the Corporation's assets that are available for distribution upon liquidation, dissolution, or winding up of the Corporation's affairs, subject to any liquidation preferences in favour of other issued and outstanding classes of shares; (iii) do not have pre-emptive or subscription rights, and there are no redemption or sinking-fund provisions applicable thereto; (iv) are entitled to receive notice of and to attend any meeting of shareholders of the Corporation and to exercise one vote for each Restricted Voting Share held at all meetings of the shareholders of the Corporation, other than with respect to the vote for the election or removal of directors of the Corporation and at meetings at which only the holders or another class or series of shares are entitled to vote separately as a class or series; and (v) are able to convert each issued and outstanding Restricted Voting Share into one Common Share (subject to customary adjustments) provided that the Corporation is not a Domestic Issuer or the conversion would not cause the Corporation to become a Domestic Issuer. In addition, no Restricted Voting Shares shall be transferred by any holder thereof pursuant to an Exclusionary Offer (as defined herein) unless concurrently with such an offer, an offer to acquire Common Shares is made that is identical to the Exclusionary Offer in terms of price per share, percentage of outstanding shares to be taken up (excluding those held by the offeror) and in all other material

respects. For these purposes, an "Exclusionary Offer" means an offer to purchase Restricted Voting Shares which must be made by reason of applicable securities legislation or the rules and regulations, by-laws or policies of a stock exchange of which the Common Shares are listed to all or substantially all of the holders of the Restricted Voting Shares.

Summary Description of the Business

Recent History

On April 26, 2018, the Corporation entered into: (i) a definitive share exchange agreement with MMDC, and its shareholders, providing for the acquisition (the "**Acquisition**") of all of the outstanding shares of MMDC by the Corporation in exchange for shares of Corporation on a post-Consolidation basis; and (ii) a definitive agreement with 10653918 Canada Inc. ("**Finco**"), a special purpose vehicle incorporated on February 27, 2018 for the sole purpose of completing a subscription receipt financing and the Business Combination, and 10713791 Canada Inc. ("**Subco**"), a wholly-owned subsidiary of the Corporation, providing for the amalgamation of Subco and Finco (the "**Amalgamation**") completed following the completion of the Acquisition (the Acquisition and the Amalgamation, together the "**Business Combination**"). The Business Combination, which was completed on June 11, 2018, was structured as a series of transactions, including a Canadian three-cornered amalgamation transaction, share exchange, and a series of U.S. reorganization steps, and constituted a reverse takeover of the Corporation by MMDC. Prior to the completion of the Business Combination, the only active business operations of the Corporation was to carry on activities as a venture capital company seeking assets or businesses with good growth potential to merge with or acquire. Following the most recently completed financial year and taking into account the completion of the Business Combination, the Corporation has continued the business of MMDC.

The Corporation is a vertically integrated cultivator and provider of cannabis and cannabis-infused products in the State of Nevada, with four current licenses for cultivation to operate two facilities, three licenses for production to operate two facilities, and two dispensary licenses (one medical license and one recreational license) to operate the "Superstore". The Corporation currently sells over 60 different strains of cannabis (18 of which are grown in house) and has a customer-loyalty database of over 17,000 customers.

Overview of the Corporation's Cannabis Business

Introduction

On November 1, 2018, the Corporation opened a new dispensary centrally-located and within close proximity of the Las Vegas strip corridor, less than 500 feet from the Trump Tower and less than 2,500 feet from the Wynn hotel referred to as the "Planet 13 Superstore". MMDC entered into an arm's length agreement to lease a 100,000 square foot building to house its dispensary "Superstore" and corporate office space in a Phase 1 build-out of the location. Subject to compliance with all required regulatory approvals, future plans include the opening of a coffee shop, possible consumption lounge and partnering with other entities who have expressed an interest in locating production facilities at the "Superstore" location (including a craft brewery and chocolatier, as examples). The lease has a seven-year term with two seven-year renewal options and the Corporation has a right-of-first-refusal on any sale of the building. Prior to the opening of the new dispensary at the "Superstore", the Corporation sold both medical and recreational products from its existing facilities also located in Las Vegas, Nevada. See "*Caution Regarding Forward-Looking Statements*".

The Corporation may in the future build a 100,000 square foot greenhouse for cultivation and an approximately 43,000 square foot processing/production facility located in Beatty, Nevada, approximately 120 miles north-west of Las Vegas. The site has the potential for up to three million square feet of greenhouse space for the cultivation of cannabis. The site, which is owned by the Corporation, has been permitted and is ready for construction to begin. The Corporation is evaluating the timing of construction based on an anticipated excess of supply of wholesale cannabis product coming to market in 2019 and 2020. Due to an estimated additional 1,000,000 million square feet of greenhouse cannabis cultivation expected to come on stream, and an anticipated decline in wholesale cannabis prices in the market place, the Corporation has determined to delay the expansion of the Beatty site and instead has entered into long term, market based supply agreements with several top tier licensed producers in the State of Nevada to supply product to the Corporation to complement its existing indoor cultivation operations and ensure ample inventory can be sourced for the "Superstore". The Corporation expects to revisit its expansion plans for the

Beatty facility once the wholesale market in Nevada stabilizes. See "*Caution Regarding Forward-Looking Statements*".

Cultivation

The Corporation, through MMDC, cultivates its cannabis products at: (i) a 15,000 square foot leased facility with a perpetual harvest cycle located in Las Vegas (Clark County); and (ii) a 500 square foot leased facility in Nye County where the Corporation conducts product research and development and genetics testing. The owner of each facility deals at arm's length with the Corporation.

Production

The Corporation produces its cannabis products at a 4,750 square foot leased facility in Las Vegas (Clark County) as well as a leased facility in Nye County. The owner of each facility deals at arm's length with the Corporation. The Corporation has planned a 10,000 square foot expansion of its production facilities as part of the phase II expansion of the "Superstore" location and anticipates moving its Clark County production license to the new "Superstore" location by mid-2019. See "*Caution Regarding Forward-Looking Statements*".

Dispensing

The Corporation's products are currently dispensed from its "Superstore" location. To the extent that the Corporation is able to obtain additional dispensary licenses with regulatory approval, the Corporation plans to dispense products from additional licensed locations and potentially reopen the current dispensary should it be successful in obtaining the appropriate licenses. See "*Caution Regarding Forward-Looking Statements*".

Objectives

The Corporation's central objective is to capitalize on the opportunities presented as a result of the changing regulatory environment governing the marijuana industry in the United States. The Corporation's vision is to establish a leading foothold in several distinct parts of the value chain of the North American medical marijuana and recreational marijuana industries, beginning in the State of Nevada, and then replicating its model in other jurisdictions where permitted by law or regulation.

The Corporation considers itself to be well positioned to take advantage of growth in the marijuana industry in the United States with its multi-faceted strategy and entrepreneurial management team. The Corporation is aware that the legal marijuana industry is in its infancy and is rapidly evolving which presents risks in addition to opportunities. There is no certainty that the Corporation will not be adversely affected by changes in government regulation and other factors in the future. The Corporation aims to mitigate these risks by closely monitoring regulatory changes with the assistance of legal counsel and by maintaining high standards with respect to legal, accounting and security controls, as well as proactively taking a leadership role in working with regulatory bodies and other stakeholders to build the necessary institutional infrastructure typically available to other types of businesses.

Over time, the Corporation's business model may differ depending on the various legal requirements affecting the use of medical and/or recreational marijuana. All U.S. States that have legalized marijuana for medical or recreational use require licensed operators to hold a license issued by the applicable state authorities. In some states, for a licensed operator to be eligible to be granted a license, the owners of the licensed operator must be residents of such U.S. State. As such, listed companies or other widely held enterprises may be ineligible to obtain a license in those states where a licensed operator must be a U.S. State resident. The Corporation will not operate in jurisdictions which have not legalized marijuana, and does not intend on operating in jurisdictions which have legalized marijuana but have not developed and imposed a licensing regime for licensed operators. See "*Caution Regarding Forward-Looking Statements*" and "*Risk Factors*".

Licenses

The Corporation is licensed to operate in the State of Nevada as a Retail and Medical Cultivator, a Retail and Medical Product Manufacturer and a Retail and Medical Dispensary. Please see Table 1 below for a list of the licenses issued to the Corporation in respect of its operations in Nevada. Under applicable laws, the licenses permit the Corporation to cultivate, manufacture, process, package, sell, and purchase marijuana pursuant to the terms of

the licenses, which are issued by the Nevada Department of Taxation ("**DOT**") under the provisions of Nevada Revised Statutes section 453A. All licenses are independently issued for each approved activity for use at the Corporation's facilities and retail locations in Nevada.

All marijuana establishments must register with DOT. If applications contain all required information and after vetting by officers, establishments are issued a marijuana establishment registration certificate. In a local governmental jurisdiction that issues business licenses, the issuance by DOT of a marijuana establishment registration certificate is considered provisional until the local government has issued a business license for operation and the establishment is in compliance with all applicable local governmental ordinances. Final registration certificates are valid for a period of one year and are subject to annual renewals after required fees are paid and the business remains in good standing. It is important to note provisional licenses do not permit the operation of any commercial or medical cannabis activity. Only after a provisional licensee has gone through necessary state and local inspections, if applicable, and has received a final registration certificate from DOT may an entity engage in cannabis business operation. The DOT limits application for retail licenses.

Table 1: Nevada Licenses

Holding Entity	Permit/License	Jurisdiction[1]	Expiration/Renewal Date	Description
MMDC	Medical and Retail	Clark County	July 31, 2019	Dispensary
MMDC	Medical and Retail	Clark County	July 31, 2019	Cultivation
MMDC	Medical and Retail	Clark County	July 31, 2019	Production
MMDC	Medical and Retail	Nye County	July 31, 2019	Cultivation
MMDC	Medical	Nye County	July 31, 2019	Production

More detailed information regarding the business of the Corporation as well as its operations, assets, and properties can be found in the AIF and other documents incorporated by reference herein, as supplemented by the disclosure herein. See "*Documents Incorporated by Reference*".

CONSOLIDATED CAPITALIZATION

There have been no material changes in the share and loan capital of the Corporation since the date of the Interim Financial Statements. After giving effect to the Offering (assuming no exercise of the Over-Allotment Option), there will be a total of 72,600,460 Common Shares and 55,232,940 Restricted Voting Shares issued and outstanding.

USE OF PROCEEDS

The net proceeds of the Offering (assuming no exercise of the Over-Allotment Option) to be received by the Corporation, after deducting the applicable Underwriters' Fee and the expenses of the Offering (estimated to be $500,000) payable by the Corporation, are expected to be approximately $23,004,700.

The net proceeds of the Offering are currently intended to be used as outlined below:

Use	Allocation of Net Proceeds
Phase II build-out of the Planet 13 Superstore	$8,000,000
Expansion of Production Capabilities	$3,000,000
Retail Expansion	$8,000,000
Operating Cash Flow	$2,000,000
General corporate and other working capital purposes	$2,004,700
Total	**$23,004,700**

[1] The Clark County medical and retail dispensary licenses were approved by DOT for location transfer from 4850 West Sunset Road to 2548 West Desert Inn Road (the "Superstore" location) within Clark County, with the transfer having occurred immediately prior to the opening of the "Superstore".

The Corporation has allocated $8,000,000 of the net proceeds from the Offering to the Phase II build-out of the "Planet 13 Superstore" which includes $6,000,000 for the construction and build-out of a consumption lounge. Commencement of construction of the Phase II build-out, which is expected to commence within 60 days following the completion of the Offering, is contingent upon both the State of Nevada and unincorporated Clark County passing the necessary legislation to allow for the on-site consumption of cannabis and cannabis related products in the jurisdictions in which the "Planet 13 Superstore" is operating. In the event that the necessary legislation is delayed or the applicable measure is defeated, it is expected that the Corporation will re-allocate that portion of the net proceeds that had been allocated to the completion and build-out of the consumption lounge to general corporate and other working capital purposes. Approximately $2,000,000 of the amount allocated to the Phase II build-out has been targeted to the build out of other related and ancillary activities at the "Superstore" location, including the build-out of the planned premium coffee shop and restaurant.

The Corporation has allocated $3,000,000 of the net proceeds from the Offering to the expansion of its production facilitates in order to support its recently launched Trendi line of products as well as the expansion of the Corporation's premium Medizin branded product line-up (which includes disposable vape pens, oils and other related paraphernalia). The Corporation currently has sufficient licensed space for the expansion in products and only requires sufficient capital in order to fund the expansion.

The Corporation has allocated $8,000,000 of the net proceeds from the Offering to retail expansion which includes $800,000 to obtain a collocated medical and recreational license that will enable the Corporation to reopen its Medizin dispensary that was closed on October 29, 2018 when the licenses were transferred to the new "Superstore" location. The Corporation has applied for additional licenses in the State of Nevada. The State has indicated it will award new licenses in early December, 2018. Should the Corporation not be successful in obtaining a license in this round of grants then it intends to allocate additional proceeds towards the purchase of a license in the open market in order to re-open the Medizin location. The balance of funds allocated to retail expansion include $7,200,000 to build out new retail locations in Nevada, California and other states where recreational cannabis is legal, and for retail acquisition and other growth opportunities that may arise over the next 12 months.

During the fiscal year ended June 30, 2017, in the case of the Corporation, and December 31, 2017, in the case of MMDC, each of the Corporation and MMDC had negative cash flows from operating activities. During the three and nine months ended September 30, 2018, the Corporation had negative cash flows from operating activities. The Corporation expects to continue to have negative cash flows in the future and it is expected that approximately $2,000,000 million of the net proceeds of the Offering will fund this cash flow need.

If the Over-Allotment Option is exercised in full for Over-Allotment Units, the Corporation will receive additional net proceeds of $3,525,705 after deducting the Underwriters' Fee. The net proceeds from the exercise of the Over-Allotment Option, if any, are expected to be used for general corporate and other working capital purposes.

While the Corporation currently anticipates that it will use the net proceeds of the Offering as set forth above, the Corporation may re-allocate the net proceeds of the Offering from time to time, giving consideration to its strategy relative to the market, development and changes in the industry and regulatory landscape, as well as other conditions relevant at the applicable time. Other than the amounts allocated to the completion and build-out of the consumption lounge, which is dependent upon the necessary legislation being enacted by State of Nevada and unincorporated Clark County, it is anticipated that the net proceeds from the Offering will be expended within 12 months following the completion of the Offering. Until utilized, the net proceeds of the Offering will be held in cash balances in the Corporation's bank accounts or invested at the discretion of management. Management will have discretion concerning the use of the net proceeds of the Offering, as well as the timing of their expenditure. See "*Caution Regarding Forward-Looking Statements*" and "*Risk Factors*".

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Corporation has agreed to issue and sell and the Underwriters have severally (and not jointly nor jointly and severally) agreed to purchase, as principals, on the Closing Date, 8,335,000 Units at the Offering Price, for aggregate gross consideration of $25,005,000, payable in cash to the Corporation against delivery of the Units, subject to the terms and conditions of the Underwriting Agreement. The Offering Price was determined by arm's length negotiation between the Corporation and the Lead Underwriter, on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares. The obligations of the Underwriters under the Underwriting Agreement are several (and not joint nor joint and several), are subject to

certain closing conditions and may be terminated at their discretion on the basis of "material adverse change out", "restrictions on distribution out", "adverse order out", "disaster out", and "breach out" provisions in the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. Each Underwriter is, however, obligated to take up and pay for all of the Units it has agreed to purchase if it purchases any Units under the Underwriting Agreement.

Each Unit will consist of one Unit Share and one-half of one Warrant. Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of $3.75 for a period of 36 months following the Closing Date. If, following the Closing Date, the daily volume weighted average closing of the Common Shares on the CSE (or such other exchange on which the outstanding Common Shares may trade) exceeds $5.00 for any 20 consecutive trading days, the Corporation may, upon providing written notice to the holders of Warrants, accelerate the expiry date of the Warrants to a date that is not less than 30 days following the date of such notice. The Warrants will be created and issued pursuant to the terms of the Warrant Indenture. The Warrant Indenture will contain provisions designed to protect holders of the Warrants against dilution upon the happening of certain events. No fractional Warrants will be issued. See "*Description of Securities Being Distributed — Warrants*".

The Underwriters have been granted an Over-Allotment Option, exercisable, in whole or in part, at any time, and from time to time, on or before the Over-Allotment Deadline, to purchase up to an additional 1,250,250 Over-Allotment Units at the Offering Price to cover the Underwriters' over-allocation position, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised to acquire: (i) up to 1,250,250 Over-Allotment Units at the Offering Price; (ii) up to 1,250,250 Over-Allotment Shares at the Over-Allotment Share Price; (iii) up to 625,125 Over-Allotment Warrants at the Over-Allotment Warrant Price; or (iv) any combination of Over-Allotment Units at the Offering Price, Over-Allotment Shares at the Over-Allotment Share Price and Over-Allotment Warrants at the Over-Allotment Warrant Price, provided that the aggregate number of Over-Allotment Shares that may be issued under such Over-Allotment Option does not exceed 1,250,250 and the aggregate number of Over-Allotment Warrants that may be issued under such Over-Allotment Option does not exceed 625,125. The Over-Allotment Option is exercisable by the Lead Underwriter giving notice to the Corporation prior to the Over-Allotment Deadline, which notice shall specify the number of Over-Allotment Units, Over-Allotment Shares and/or Over-Allotment Warrants to be purchased. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Units, Over-Allotment Shares or Over-Allotment Warrants forming part of the Underwriters' over-allocation position acquires those Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In consideration for the services provided by the Underwriters in connection with the Offering, and pursuant to the terms of the Underwriting Agreement, the Corporation has agreed to pay the Underwriters the Underwriters' Fee equal to 6% of the gross proceeds from the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option). As additional compensation, the Underwriters will be issued Compensation Options entitling the Underwriters to purchase that number of Compensation Option Shares equal to 6% of the number of Units sold pursuant to the Offering (including any additional Units sold pursuant to the Over-Allotment Option) at a price of $3.00 per Compensation Option Share for a period of 24 months from the Closing Date. This Prospectus qualifies the grant of the Compensation Options to the Underwriters.

The Offering is being made in each of the provinces of British Columbia, Alberta, Ontario, Nova Scotia, Prince Edward Island and Newfoundland and Labrador. The Units will be offered in each of the relevant provinces of Canada through those Underwriters or their affiliates who are registered to offer the Units for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable law, the Underwriters may offer the Units in the United States and such other jurisdictions outside of Canada and the United States as agreed between the Corporation and the Underwriters.

The Corporation has given notice to the CSE to list the Unit Shares, the Warrants, the Warrant Shares and the Compensation Option Shares on the CSE. Listing will be subject to the Corporation fulfilling all of the listing requirements of the CSE. There is currently no market through which the Warrants may be sold. See "*Risk Factors*".

The Underwriters propose to offer the Units initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Units at the Offering Price, the Offering Price may be decreased and may

be further changed from time to time to an amount not greater than the Offering Price, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the gross proceeds paid by the Underwriters to the Corporation.

The Unit Shares and the Warrants comprising the Units offered hereby and the Warrant Shares issuable upon exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, a person in the United States or a U.S. Person.

Each Underwriter has agreed that, except as permitted by the Underwriting Agreement and as expressly permitted by applicable U.S. federal and state securities laws, it will not offer or sell the Units at any time to, or for the account or benefit of, any person in the United States or any U.S. Person as part of its distribution. The Underwriting Agreement permits the Underwriters to re-offer and re-sell the Units that they have acquired pursuant to the Underwriting Agreement to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) that are, or are acting for the account or benefit of, a person in the United States or a U.S. Person in compliance with Rule 144A under the U.S. Securities Act (and pursuant to similar exemptions under applicable state securities laws). Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Units outside the United States to non-U.S. Persons only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Units, and the Unit Shares and the Warrants comprising the Units, that are offered or sold to, or for the account or benefit of, a person in the United States or a U.S. Person, and any Warrant Shares issued upon the exercise of such Warrants, will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and will be subject to restrictions to the effect that such securities have not been registered under the U.S. Securities Act or any applicable state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Warrants will not be exercisable by or on behalf of a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and the Corporation has received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Corporation; provided, however, that a holder who is a "qualified institutional buyer" (as defined in Rule 144A under the U.S. Securities Act) at the time of exercise of the Warrants who purchased Units in the Offering to, or for the account or benefit of, persons in the United States or U.S. Persons will not be required to deliver an opinion of counsel or such other evidence in connection with the exercise of Warrants that are a part of those Units.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units to, or for the account or benefit of, a person in the United States or a U.S. Person. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units, Unit Shares or Warrants within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with exemptions from registration under the U.S. Securities Act and applicable state securities laws.

Subscriptions for the Units will be received subject to rejection or allotment, in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about December 4, 2018, or such other date as may be agreed upon by the Corporation and the Underwriters, but in any event not later than 42 days after the date of the receipt for the (final) short form prospectus. It is anticipated that the Unit Shares and Warrants comprising the Units will be delivered under the book-based system through CDS or its nominee and deposited in electronic form, or will otherwise be delivered to the Underwriters registered as directed by the Underwriters, on the Closing Date. Except in limited circumstances, a purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Unit Shares and Warrants on behalf of owners who have purchased Units in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required.

Pursuant to the terms of the Underwriting Agreement, the Corporation has agreed to reimburse the Underwriters for certain expenses incurred in connection with the Offering and to indemnify the Underwriters and their directors, officers, employees and agents against certain liabilities and expenses and to contribute to payments the Underwriters may be required to make in respect thereof.

Price Stabilization, Short Positions, and Passive Market Making

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions including: (i) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities, or (iii) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. Consistent with these requirements, and in connection with this distribution, the Underwriters may over-allot or effect transactions that are intended to stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on the CSE, in the over-the-counter market or otherwise.

In connection with the Offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Stabilizing transactions consist of bids or purchases made for the purpose of preventing or slowing a decline in the market price of the Common Shares while the Offering is in progress. The Underwriters may engage in activities such as, but not limited to: (i) stabilizing transactions that permit bids to purchase Common Shares so long as the stabilizing bids do not exceed a specified maximum: (ii) over-allotment transactions that involve sales by the Underwriters of Common Shares in excess of the number of Units the Underwriters are obligated to purchase, which creates a syndicate short position, which position the Underwriters may close out by purchasing Common Shares in the open market: and (iii) penalty bids that permit the representatives to reclaim a selling concession from a syndicate member when the Units originally sold by the syndicate member are purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions. As a result of these activities, the price of the Common Shares may be higher than the price that otherwise might exist in the open market.

Standstill and Lock-up Arrangements

Pursuant to the Underwriting Agreement, the Corporation has agreed that until the date which is 90 days after the Closing Date, it will not, without the written consent of the Lead Underwriter, such consent not to be unreasonably withheld, conditioned or delayed, issue, agree to issue, or announce an intention to issue, any additional Common Shares or any securities convertible into or exchangeable for Common Shares, other than: (i) pursuant to the exercise of the Over-Allotment Option; (ii) under existing director or employee stock options, restricted share units ("**RSUs**"), bonus or purchase plans or similar share compensation arrangements as detailed in the Interim MD&A; (iii) under director or employee stock options, RSUs, purchased plans or similar compensation arrangements or bonuses granted subsequently in accordance with regulatory approval and in a manner consistent with the Corporation's past practice; (iv) upon the exercise of convertible securities, warrants or options outstanding prior to the date of the Underwriting Agreement; (v) pursuant to previously scheduled payments; or (vi) pursuant to other corporate acquisitions.

Additionally, pursuant to the Underwriting Agreement, each officer, director and principal shareholder of the Corporation will enter into lock-up agreements pursuant to which such persons undertake not to sell, or agree to sell (or announce any intention to do any of the foregoing), any Common Shares or securities exchangeable or convertible into Common Shares, other than other than sales of up to 2,500,000 Common Shares following vesting of RSUs or pursuant to a bona fide take-over bid or any other similar transaction made generally to all of the shareholders of the Corporation, for a period of 90 days from the Closing Date without the prior written consent of the Lead Underwriter, on behalf of the Underwriters, such consent not to be unreasonably withheld or delayed.

Non-Certificated Inventory System

It is anticipated that the Offering will be conducted under the book-based system, pursuant to which the Corporation will arrange for one or more instant deposits of the Units issued under the Offering to or for the account of the Underwriters with CDS or its nominee through the non-certificated inventory system administered by CDS on the Closing Date. Purchasers of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS participant. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Units in accordance with the book-based system.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Offering

The Offering consists of Units, each of which is comprised of one Unit Share and one-half of one Warrant. The Units will separate into Unit Shares and Warrants immediately upon the closing of the Offering. The Units are offered at the Offering Price of $3.00 per Unit. This Prospectus qualifies the distribution of the Units, including the Unit Shares and the Warrants, and the grant of the Compensation Options.

Common Shares

The Corporation's authorized share capital consists of an unlimited number of Common Shares without par value, of which 64,265,460 Common Shares are issued and outstanding as at the date hereof (85,711,553 Common Shares on a fully diluted basis, assuming the exercise of all outstanding options and warrants and vesting of all RSUs).

Holders of Common Shares are entitled to dividends, if, as and when declared by the Board, to one vote per share at meetings of shareholders of the Corporation and, upon dissolution, to share equally in such assets of the Corporation as are distributable to the holders of Common Shares.

The Corporation has not paid dividends since the completion of the Business Combination and currently intends to reinvest all future earnings to finance the development and growth of its business. As a result, the Corporation does not intend to pay dividends on the Common Shares in the foreseeable future. Any future determination to pay distributions will be at the discretion of the Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of distributions and any other factors that the Board deems relevant. The Corporation is not bound or limited in any way to pay dividends in the event that the Board determined that a dividend was in the best interest of its shareholders.

Warrants

The following is a summary of the principal attributes of the Warrants and certain anticipated provisions of the Warrant Indenture mentioned herein. The summary does not purport to be complete and is qualified in its entirety by the detailed provisions of the Warrant Indenture. A copy of the Warrant Indenture may be obtained on request from the Corporation's General Counsel and will be available electronically at www.sedar.com and reference should be made to the Warrant Indenture for the full text of the attributes of the Warrants.

Each whole Warrant entitles its holder, upon the payment of the exercise price of $3.75, to purchase one Warrant Share for a period of 36 months from the Closing Date. See "*Plan of Distribution*". The Corporation may accelerate the expiry date of the Warrants on not less than 30 days' notice should the daily volume weighted average closing of the Common Shares on the CSE (or such other exchange on which the outstanding Common Shares may trade) be greater than $5.00 for any 20 consecutive trading days.

The Warrants will be governed by the Warrant Indenture. The Corporation will designate the Warrant Agent, in its Calgary, Alberta office, as agent for the Warrants. Prior to the closing of the Offering, the Corporation may name any other agent with respect to the Warrants.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

(i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution (other than a dividend paid in the ordinary course or a distribution of Common Shares upon the exercise of any outstanding warrants or options);

(ii) the subdivision, redivision or change of the Common Shares into a greater number of shares;

(iii) the consolidation, reduction or combination of the Common Shares into a lesser number of shares;

(iv) the issuance to all or substantially all of the holders of Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or

convertible into Common Shares, at a price per Common Share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, of Common Shares on such record date; and

(v) the issuance or distribution to all or substantially all of the holders of Common Shares of securities, including rights, options or warrants to acquire shares of any class or securities exchangeable for or convertible into any such shares or property or assets, including evidences of indebtedness.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities or other property issuable upon the exercise of the Warrants and/or the exercise price per security upon the occurrence of the following additional events:

(i) the reclassification of the Common Shares;

(ii) the amalgamation, arrangement or merger with or into any other corporation or other entity (other than an amalgamation, arrangement or merger which does not result in any reclassification of the Corporation's outstanding Common Shares or a change of the Common Shares into other shares); or

(iii) the transfer of the Corporation's undertakings or assets as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price or number of Warrant Shares will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price or a change in the number of Warrant Shares purchasable upon exercise by at least one one-hundredth ($^{1}/_{100}$th) of a Common Share, as the case may be.

The Corporation will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, the Corporation will give notice to Warrant holders of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

No fraction of a Warrant Share will be issued upon the exercise of a Warrant and no cash payment will be made in lieu thereof. Warrant holders are not entitled to any voting rights or pre-emptive rights or any other rights conferred upon a person as a result of being a holder of Common Shares.

From time to time, the Corporation and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll for such resolution, or (2) adopted by an instrument in writing signed by the holders of not less than 66⅔% of the aggregate number of all then outstanding Warrants.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Warrants will not be exercisable by or on behalf of a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and the Corporation has received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Corporation; provided, however, that a holder who is a "qualified institutional buyer" (as defined in Rule 144A under the U.S. Securities Act) at the time of exercise of the Warrants who purchased Units in the Offering to, or for the account or benefit of, persons in the United States or U.S. Persons will not be required to deliver an opinion of counsel or such other evidence in connection with the exercise of Warrants that are a part of those Units.

Compensation Options

For their services in connection with the Offering, the Underwriters will receive non-transferrable Compensation Options to purchase an aggregate of 500,100 Compensation Option Shares (or 575,115 Compensation Option Shares if the Over-Allotment Option is exercised in full) at a price of $3.00 per Compensation Option Share. The Compensation Options shall have a term of 24 months from the Closing Date. The terms to be set out in the certificates representing the Compensation Options will include, among other things, customary provisions for the appropriate adjustment of the number of Compensation Option Shares issuable pursuant to any exercise of the Compensation Options upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, any capital reorganization of the Corporation, or any merger, consolidation or amalgamation of the Corporation with another corporation or entity, as well as customary amendment provisions. The Underwriters, as holders of the Compensation Options, will not as such have any voting right or other right attached to Common Shares until and unless the Compensation Options are duly exercised as provided for in the certificates representing the Compensation Options.

PRIOR SALES

The following tables set forth details regarding issuances of Common Shares and issuances of securities convertible into or exchangeable, redeemable or exercisable for Common Shares during the 12-month period before the date of this Prospectus.

Date	Type of Security Issued	Issuance/Exercise Price per Security	Number of Securities Issued
January 26, 2018	Special Warrants[(1)]	$0.30[(2)]	1,000,000[(2)]
April 26, 2018	Subscription Receipts[(3)]	$0.80	28,219,500
May 18, 2018	Subscription Receipts[(3)]	$0.80	3,226,300
May 23, 2018	Subscription Receipts[(3)]	$0.80	12,500
June 11, 2018	Stock Options	$0.80	820,000
June 11, 2018	RSUs	N/A	5,638,358
June 21, 2018	Restricted Voting Shares[(4)]	$0.80	5,532,940

Notes:

(1) Issued pursuant to a non-brokered private placement, with each special warrant exercisable upon the satisfaction of certain conditions and for no additional consideration for one Common Share. The special warrants converted into Common Shares on June 11, 2018 in connection with the completion of the Business Combination.

(2) On a pre-Consolidation basis.

(3) Prior to the completion of the Business Combination, Finco completed private placements of subscription receipts (the "**Subscription Receipts**") at a price of $0.80 per Subscription Receipt. In connection with the completion of the Business Combination, the Subscription Receipts were converted on a one-for-one basis into a total of 31,458,300 common shares of Finco and 15,729,150 common share purchase warrants of Finco, which upon completion of the acquisition of Finco by the Corporation became Common Shares and common share purchase warrants of the Corporation.

(4) Messrs. Robert Groesbeck and Larry Scheffler, through controlled companies, fully converted an aggregate of US$3.4 million principal amount and accrued interest of unsecured promissory notes of the Corporation held by them into an aggregate of 5,532,940 Restricted Voting Shares, or 2,766,470 Restricted Voting Shares each, at a conversion price of $0.80 per Restricted Voting Share.

TRADING PRICE AND VOLUME

The Common Shares trade on the CSE under the symbol "PLTH" and on the OTCQB under the symbol "PLNHF". The following table sets out the high and low trading prices, as well as the trading volume for the Common Shares on the CSE (as reported by the CSE) and on the OTCQB (as reported by Stockwatch) for the periods indicated.

	CSE[(1)]			OTCQB[(1)]		
Month	High ($)	Low ($)	Volume	High (US$)	Low (US$)	Volume
2018						
November[(2)]	3.50	2.25	12,147,932	2.6695	1.729	3,545,061

	CSE[1]			OTCQB[1]		
Month	**High ($)**	**Low ($)**	**Volume**	**High (US$)**	**Low (US$)**	**Volume**
October	2.94	1.81	10,418,892	2.2592	1.57	4,728,459
September[3]	3.06	1.46	10,681,708	2.38	1.35	3,078,936
August	1.67	0.66	3,439,765	N/A	N/A	N/A
July	0.99	0.70	1,091,345	N/A	N/A	N/A
June[4]	1.18	0.89	2,279,055	N/A	N/A	N/A

Notes:

(1) The Common Shares commenced trading on the CSE on June 21, 2018 and commenced trading on the OTCQB on September 17, 2018.

(2) From November 1, 2018 to November 13, 2018.

(3) From September 17, 2018 to September 28, 2018 in the case of the OTCQB.

(4) From June 21, 2018 to June 29, 2018 in the case of the CSE.

At the close of business on November 13, 2018, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares as quoted by the CSE was $2.81 and the closing price of the Common Shares as quoted by the OTCQB was US$2.12.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The Corporation believes it is, and will continue to be treated as, a U.S. corporation for purposes of the Internal Revenue Code of 1986 although for purposes of the Tax Act, the Corporation will be treated as a taxable Canadian corporation. Prospective investors should carefully review the following sections as well as the discussion under the headings "*Certain U.S. Federal Income Tax Considerations to Non-U.S. Holders*" and "*Risk Factors - Risks Relating to Taxes*".

In the opinion of Cassels Brock & Blackwell LLP, counsel to the Corporation, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Units pursuant to the Offering. For purposes of this summary, references to Common Shares include Unit Shares and Warrant Shares unless otherwise indicated. This summary applies only to a purchaser who is a beneficial owner of Common Shares and Warrants acquired pursuant to the Offering and who, for the purposes of the Tax Act, and at all relevant times: (i) deals at arm's length with and is not affiliated with the Corporation or the Underwriters; and (ii) acquires and holds the Unit Shares and Warrants, and will hold the Warrant Shares issuable on the exercise of the Warrants as capital property (a "**Holder**").

Common Shares and Warrants will generally be considered to be capital property to a Holder unless they are held in the course of carrying on a business of trading or dealing in securities or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This section of the summary is not applicable to a Holder: (i) that is a "financial institution" within the meaning of section 142.2 of the Tax Act; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii) that has made a "functional currency" reporting election under section 261 of the Tax Act; (iv) an interest in which is, or for whom a Common Share or Warrant would be, a "tax shelter investment" for the purposes of the Tax Act; (v) that has entered into a "derivative forward agreement", as defined in the Tax Act, in respect of Common Shares or Warrants; or (vi) that is a corporation resident in Canada, and is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Units, controlled by a non-resident corporation for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors.

This summary is based upon: (i) the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**") in force as of the date hereof; (ii) all specific proposals ("**Proposed Amendments**") to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof; and (iii) counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"). This summary assumes that all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all. This summary does not otherwise take into account any

changes in law or in the administrative policies or assessing practices of the CRA, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any other federal or any provincial, territorial or foreign income tax considerations, which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Cost

A Holder who acquires Units pursuant to the Offering will be required to allocate the purchase price paid for each Unit on a reasonable basis between the Unit Share and the one-half Warrant comprising each Unit in order to determine their respective costs to such Holder for the purposes of the Tax Act.

For its purposes, the Corporation has advised counsel that, of the $3.00 subscription price for each Unit, it intends to allocate $2.78 to each Unit Share and $0.22 to each one-half Warrant and believes that such allocation is reasonable. The Corporation's allocation, however, is not binding on the CRA or on a Holder.

The adjusted cost base to a Holder of each Unit Share comprising a part of a Unit acquired pursuant to the Offering will be determined by averaging the cost of such Unit Share with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder of a Warrant upon the exercise of such Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the adjusted cost base of the Warrant to such Holder, plus the amount paid on the exercise of the Warrant. For the purpose of computing the adjusted cost base to a Holder of each Warrant Share acquired on the exercise of a Warrant, the cost of such Warrant Share must be averaged with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the exercise of the Warrant.

Holders Resident in Canada

This section of the summary applies to a Holder who, at all relevant times, is, or is deemed to be, resident in Canada for the purposes of the Tax Act (a "**Resident Holder**").

A Resident Holder whose Common Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have the Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by such purchaser in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Resident Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances. Such election is not available in respect of Warrants.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "*Holders Resident in Canada — Taxable Capital Gains and Capital Losses*".

Dividends

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Common Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations (as defined in the Tax Act). Taxable dividends received from a taxable Canadian corporation which are designated by such corporation as "eligible dividends" will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the rules in the Tax Act.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances a dividend or deemed dividend received by a Resident Holder that is a corporation may be treated as a capital gain or proceeds of disposition. Resident Holders should contact their own tax advisors in this regard.

A Resident Holder that is a "private corporation" or a "subject corporation", as defined in the Tax Act, will generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received on the Common Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the year. A "subject corporation" is generally a corporation (other than a private corporation) controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts).

Any United States withholding tax paid by or on behalf of a Resident Holder in respect of dividends received from the Corporation generally will be eligible for foreign tax credit or deduction treatment where applicable under the Tax Act. Generally, a foreign tax credit in respect of a tax paid to a particular foreign country is limited to the Canadian tax otherwise payable in respect of income sourced in that country. Dividends received on the Unit Shares by a Resident Holder may not be treated as income sourced in the United States for these purposes, and if so, the foreign tax credit or deduction treatment may not be available under the Tax Act. Resident Holders should consult their own tax advisors with respect to the availability of any foreign tax credits or deductions under the Tax Act in respect of any United States withholding tax applicable to dividends on the Shares. See discussion below under the heading "*Certain U.S. Federal Income Tax Considerations to Non-U.S. Holders*".

Dispositions of Common Shares and Warrants

A Resident Holder who disposes of or is deemed to have disposed of a Common Share or Warrant (other than on the exercise of a Warrant) will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of the Common Share or Warrant immediately before the disposition or deemed disposition.

Taxable Capital Gains and Losses

A Resident Holder will generally be required to include in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a "**taxable capital gain**") realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") against taxable capital gains realized in the taxation year of disposition. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Common Shares to the extent and under the circumstances specified in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Any United States withholding tax or income tax, as applicable, paid by or on behalf of a Resident Holder in respect of a capital gain realized on a disposition of Unit Shares or Warrants generally will be eligible for foreign tax credit treatment where applicable under the Tax Act. Generally, a foreign tax credit in respect of a tax paid to a particular foreign country is limited to the Canadian tax otherwise payable in respect of income sourced in that country. Any capital gains realized on the disposition of Unit Shares or Warrants by a Resident Holder may not be treated as income sourced in the United States for these purposes, and if so, the foreign tax credit or deduction treatment may not be available under the Tax Act. **For detailed discussion of U.S. federal income tax consequences for Non-U.S. Holders (as defined herein) see *"Certain U.S. Federal Income Tax Considerations to Non-U.S. Holders – Tax Consequences to Non-U.S. Holders with Respect to Warrants, Unit Shares and Warrant Shares – Sale or Other Taxable Disposition of Unit Shares, Warrants and Warrant Shares"***. Resident Holders should consult their own tax advisors with respect to the availability of any foreign tax credits under the Tax Act in respect of any United States

withholding tax applicable to capital gains realized on the Unit Shares or Warrants. See discussion below under the heading "*Certain U.S. Federal Income Tax Considerations to Non-U.S. Holders*".

Other Income Taxes

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income" (as defined in the Tax Act) for the year, which includes taxable capital gains.

Generally, a Resident Holder that is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Common Shares or realizes a capital gain on the disposition or deemed disposition of Common Shares or Warrants may be liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act: (i) is not, and is not deemed to be, resident in Canada at any time while they hold the Common Shares or Warrants; and (ii) does not use or hold the Common Shares or Warrants in connection with carrying on a business in Canada ("**Non-Resident Holder**"). This summary does not apply to a Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or that is an "authorized foreign bank" (as defined in the Tax Act). Such Holders should consult their own tax advisors.

Expiry of Warrants

The tax consequences of the expiry of a Warrant held by a Non-Resident Holder are generally that such Non-Resident Holder will realize a capital loss equal to the Non-Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital losses is discussed in greater detail below under "*— Holders Not Resident in Canada — Dispositions of Common Shares and Warrants*".

Non-Resident Holders should consult their own tax advisors with respect to the expiry of Warrants.

Dividends

Dividends paid or credited or deemed under the Tax Act to be paid or credited by the Corporation to a Non-Resident Holder on the Common Shares will be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled to under any applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident. For example, where a Non-Resident Holder is a resident of the United States, is fully entitled to the benefits under the *Canada-United States Tax Convention (1980)*, as amended, and is the beneficial owner of the dividend, the applicable rate of Canadian withholding tax is generally reduced to 15%. Non-Resident Holders should consult their own tax advisors.

Dispositions of Common Shares and Warrants

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Common Share or Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Common Share or Warrant (as applicable) is, or is deemed to be, "taxable Canadian property" of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, a Common Share or Warrant (as applicable) will not constitute taxable Canadian property of a Non-Resident Holder provided that the Common Shares are listed on a "designated stock exchange" for the purposes of the Tax Act (which currently includes the CSE), unless at any time during the 60 month period immediately preceding the disposition, (i) at least 25% of the issued shares of any class or series of the capital stock of the Corporation were owned by or belonged to any combination of (a) the Non- Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm's length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of such shares was derived, directly or indirectly, from any

combination of real or immovable property situated in Canada, "Canadian resource property" (as defined in the Tax Act), "timber resource property" (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. Notwithstanding the foregoing, a Common Share or Warrant may also be deemed to be taxable Canadian property to a Non-Resident Holder under other provisions of the Tax Act.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Common Share or Warrant that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention, the consequences described above under "*— Holders Resident in Canada — Dispositions of Common Shares and Warrants*" and "*— Holders Resident in Canada — Taxable Capital Gains and Losses*" will generally be applicable to such Non-Resident Holder.

Non-Resident Holders whose Common Shares or Warrants are taxable Canadian property should consult their own tax advisors.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS TO NON-U.S. HOLDERS

The following is a summary of certain U.S. federal income tax consequences generally applicable to Non-U.S. Holders (as defined below) arising from and relating to the acquisition, ownership and disposition of Unit Shares acquired as part of the Units, the acquisition, exercise, disposition and lapse of Warrants acquired as part of the Units, and the acquisition, ownership and disposition of Warrant Shares received upon exercise of the Warrants.

Scope of this Summary

This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax consequences related to the acquisition, ownership and disposition of Unit Shares, Warrants and Warrant Shares. Except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. In addition, this summary does not take into account the individual facts and circumstances of any particular holder that may affect the U.S. federal income tax consequences to such holder. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any particular holder. Each holder should consult its own tax advisors regarding the U.S. federal, state and local, and non-U.S. tax consequences related to the acquisition, ownership and disposition of Unit Shares, Warrants and Warrant Shares.

No legal opinion from U.S. legal counsel or ruling from the Internal Revenue Service (the "**IRS**") has been requested, or will be obtained, regarding the U.S. federal income tax consequences related to the acquisition, ownership and disposition of Unit Shares, Warrants and Warrant Shares. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF UNITS, UNIT SHARES, WARRANTS OR WARRANT SHARES ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Authorities

This summary is based on the Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this prospectus. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive basis. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive basis.

U.S. Holders

As used in this summary, the term "U.S. Holder" means a beneficial owner of Unit Shares, Warrants or Warrant Shares, as applicable, acquired pursuant to this prospectus that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation (or other entity taxable as a corporation) organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the U.S. and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Non-U.S. Holders

The term "Non-U.S. Holder" means any beneficial owner of Unit Shares, Warrants or Warrant Shares, as applicable, acquired pursuant to this prospectus that is neither a U.S. Holder nor a partnership (including an entity treated as a partnership for U.S. federal income tax purposes).

Holders Subject to Special U.S. Federal Income Tax Rules

This summary addresses only persons or entities who hold Unit Shares, Warrants or Warrant Shares as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment purposes). This summary does not address all aspects of U.S. federal income taxation that may be applicable to Non-U.S. Holders in light of their particular circumstances or to Non-U.S. Holders subject to special treatment under U.S. federal income tax law, such as (without limitation): banks, insurance companies, and other financial institutions; tax-exempt organizations (including private foundations); dealers or traders in securities, commodities or foreign currencies; regulated investment companies; U.S. expatriates or former long-term residents of the United States; persons holding Unit Shares, Warrants or Warrant Shares as part of a straddle, appreciated financial position, synthetic security, hedge, conversion transaction or other integrated investment; persons holding Unit Shares, Warrants or Warrant Shares as a result of a constructive sale; entities that acquire Unit Shares, Warrants and Warrant Shares that are treated as partnerships or are otherwise treated as "pass-through" entities for U.S. federal income tax purposes and partners in such partnerships; real estate investment trusts; U.S. Holders that have a "functional currency" other than the U.S. dollar; holders that acquired Unit Shares, Warrants, or Warrant Shares in connection with the exercise of employee stock options or otherwise as consideration for services; Non-U.S. Holders that are "controlled foreign corporations" or "passive foreign investment companies;" or holders that own, have owned or will own (directly, indirectly or by attribution) 10% or more of value or the total combined voting power of the Corporation's outstanding shares. Non-U.S. Holders that are subject to special provisions under the Code, including holders described immediately above, should consult their own tax advisors regarding the U.S. federal, state and local, and non-U.S. income tax consequences arising from and relating to the acquisition, ownership and disposition of Unit Shares, Warrants and Warrant Shares.

Tax Consequences Not Addressed

This summary does not address the U.S. state and local, U.S. federal estate and gift, U.S. federal alternative minimum tax, or non-U.S. tax consequences to Non-U.S. Holders of the acquisition, ownership and disposition of Unit Shares, Warrants and Warrant Shares. Each Non-U.S. Holder should consult its own tax advisors regarding the U.S. state and local, U.S. federal estate and gift, U.S. federal alternative minimum tax, and non-U.S. tax consequences of the acquisition, ownership and disposition of Unit Shares, Warrants and Warrant Shares.

Treatment of the Corporation as a U.S. Corporation

The Corporation believes that, pursuant to Section 7874 of the Code, even though it is organized as a Canadian corporation, the Corporation should be treated as a U.S. domestic corporation for U.S. federal income tax purposes. Because the Corporation is a taxable corporation in Canada, it is likely to be subject to income taxation in both the United States and Canada on the same income, which in turn, may reduce the amount of income available for distribution to shareholders. The balance of this discussion assumes the Corporation is a U.S. domestic corporation for U.S. federal income tax purposes. However, no tax opinion or ruling from the IRS concerning the U.S. federal income tax characterization of the Corporation has been obtained and none will be requested. Thus, there can be no assurance that the IRS will not challenge the characterization of the Corporation as a domestic corporation, or that if challenged, a U.S. court would not agree with the IRS. If the Corporation is not treated as a U.S. domestic corporation, then the acquisition, ownership and disposition of the Unit Shares, Warrants and Warrant Shares may have materially different implications for Non-U.S. Holders.

Characterization of the Units

For U.S. federal income tax purposes, the acquisition by a Non-U.S. Holder of a Unit will be treated as the acquisition of a "unit" consisting of two components: a component consisting of one Unit Share and a component consisting of one-half of one Warrant. The purchase price for each Unit will be allocated between these two components in proportion to their relative fair market values at the time the Unit is purchased by the Non-U.S. Holder. This allocation of the purchase price for each Unit will establish a Non-U.S. Holder's initial tax basis for U.S. federal income tax purposes in the Unit Share and one-half of one Warrant that comprise each Unit.

For this purpose, the Corporation will allocate $2.78 of the purchase price for each Unit to the Unit Share and $0.22 of the purchase price for each Unit to one-half of one Warrant. However, the IRS will not be bound by such allocation of the purchase price for the Units, and therefore, the IRS or a U.S. court may not respect the allocation set forth above. Each Non-U.S. Holder should consult its own tax advisor regarding the allocation of the purchase price for the Units.

Tax Consequences to Non-U.S. Holders With Respect to the Warrants, Unit Shares and Warrant Shares

Exercise of Warrants

A Non-U.S. Holder generally will not recognize gain or loss on the exercise of a Warrant and related receipt of a Warrant Share (unless cash is received in lieu of the issuance of a fractional Warrant Share and certain other conditions are present, as discussed below under "*Sale or Other Taxable Disposition of Unit Shares, Warrants and Warrant Shares*"). A Non-U.S. Holder's initial tax basis in the Warrant Share received on the exercise of a Warrant should be equal to the sum of (i) the Non-U.S. Holder's tax basis in the Warrant plus (ii) the exercise price paid by the Non-U.S. Holder on the exercise of the Warrant. It is unclear whether a Non-U.S. Holder's holding period for the Warrant Share received on the exercise of a Warrant should begin on the date that the Warrant is exercised by the Non-U.S. Holder or the day following the date of the exercise of the Warrant.

Disposition of Warrants

A Non-U.S. Holder will recognize gain or loss on the sale or other taxable disposition of a Warrant in an amount equal to the difference, if any, between (a) the amount of cash plus the fair market value of any property received and (b) such Non-U.S. Holder's tax basis in the Warrant sold or otherwise disposed of. Any such gain or loss generally will be capital gain or loss, which will be long-term capital gain or loss if the Warrant is held for more than one year. Any such gain recognized by a Non-U.S. Holder may be taxable for U.S. federal income tax purposes according to rules discussed under the heading "*Sale or Other Taxable Disposition of Shares of Common Stock, Warrants and Warrant Shares*," below.

Expiration of Warrants without Exercise

Upon the lapse or expiration of a Warrant, a Non-U.S. Holder will recognize a loss in an amount equal to such Non-U.S. Holder's tax basis in the Warrant. Any such loss generally will be a capital loss and will be long-term capital loss

if the Warrants are held for more than one year. Deductions for capital losses are subject to complex limitations under the Code.

Certain Adjustments to the Warrants

Under Section 305 of the Code, an adjustment to the number of Warrant Shares that will be issued on the exercise of the Warrants, or an adjustment to the exercise price of the Warrants, may be treated as a constructive distribution to a Non-U.S. Holder of the Warrants if, and to the extent that, such adjustment has the effect of increasing such Non-U.S. Holder's proportionate interest in the Corporation's earnings and profits or assets, depending on the circumstances of such adjustment (for example, if such adjustment is to compensate for a distribution of cash or other property to its shareholders). Adjustments to the exercise price of a Warrant made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing dilution of the interest of the Non-U.S. Holders of the Warrants should generally not result in a constructive distribution. See the more detailed discussion of the rules applicable to distributions made by the Corporation under the heading "*Distributions on Shares of Common Stock and Warrant Shares*," below.

Distributions on Shares of Common Stock and Warrant Shares

Distributions on Unit Shares and Warrant Shares will constitute dividends for U.S. federal income tax purposes to the extent paid from the Corporation's current and accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed the Corporation's current and accumulated earnings and profits, they will constitute a return of capital and will first reduce a Non-U.S. Holder's basis in Unit Shares or Warrant Shares, but not below zero, and then will be treated as gain from the sale of stock, which will be taxable according to rules discussed under the heading "Sale or Other Taxable Disposition of Unit Shares, Warrants and Warrant Shares," below. Any dividends paid to a Non-U.S. Holder with respect to Unit Shares or Warrant Shares generally will be subject to withholding tax at a 30% gross rate, subject to any exemption or lower rate under an applicable income tax treaty if the Non-U.S. Holder provides the Corporation with a properly executed IRS Form W-8BEN or W-8BEN-E, as applicable, unless the Non-U.S. Holder provides the Corporation with a properly executed IRS Form W-8ECI (or other applicable form) relating to income effectively connected with the conduct of a trade or business within the United States. In addition, if the Corporation is treated as a "United States Real Property Holding Corporation" for U.S. federal income tax purposes, the Corporation may be required to withhold 15% of any distribution that exceeds the Corporation's current and accumulated earnings and profits. A corporation is generally classified as a U.S. Real Property Holding Corporation if the fair market value of its U.S. real property interests equals or exceeds 50 percent of the sum of: (i) the fair market value of the corporation's U.S. real property interests; (ii) corporation's real property interests located outside the United States, plus (iii) corporation's other assets used or held for use in a trade or business

Dividends that are effectively connected with the conduct of a trade or business within the United States and includible in the Non-U.S. Holder's gross income are not subject to U.S. withholding tax (assuming proper certification and disclosure), but instead are subject to U.S. federal income tax on a net income basis at applicable graduated U.S. federal income tax rates. Any such effectively connected income received by a non-U.S. corporation may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate, subject to any exemption or lower rate as may be specified by an applicable income tax treaty.

A Non-U.S. Holder of Unit Shares or Warrant Shares who wishes to claim the benefit of an applicable income tax treaty rate or exemption is required to satisfy certain certification and other requirements. If a Non-U.S. Holder is eligible for an exemption from or a reduced rate of U.S. withholding tax pursuant to an income tax treaty, it may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS on a timely filed U.S. tax return. Non-U.S. Holders should consult their own tax advisors to determine the applicable income tax treaty and related exemption from 30% withholding, where applicable.

Sale or Other Taxable Disposition of Unit Shares, Warrants and Warrant Shares

In general, a Non-U.S. Holder of Unit Shares, Warrants or Warrant Shares will not be subject to U.S. federal income tax on gain recognized from a sale, exchange, or other taxable disposition of such Unit Shares, Warrants or Warrant Shares, unless:

- the gain is effectively connected with a U.S. trade or business carried on by the Non-U.S. Holder (and, where an income tax treaty applies, is attributable to a U.S. permanent establishment of the Non-U.S. Holder), in which case the Non-U.S. Holder will be subject to tax on the net gain from the sale at regular graduated U.S. federal income tax rates, and if the Non-U.S. Holder is a corporation, may be subject to an additional U.S. branch profits tax at a gross rate equal to 30% of its effectively connected earnings and profits for that taxable year, subject to any exemption or lower rate as may be specified by an applicable income tax treaty;

- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are met, in which case the Non-U.S. Holder will be subject to a 30% tax on the gain from the sale, which may be offset by U.S. source capital losses; or

- the Corporation is or has been a "U.S. real property holding corporation" ("**USRPHC**") for U.S. federal income tax purposes at any time during the shorter of the Non-U.S. Holder's holding period or the 5-year period ending on the date of disposition of Unit Shares, Warrants or Warrant Shares; provided, with respect to the Unit Shares and Warrant Shares, that as long as the Unit Shares are regularly traded on an established securities market as determined under the Treasury Regulations (the "Regularly Traded Exception"), a Non-U.S. Holder would not be subject to taxation on the gain on the sale of Unit Shares or Warrant Shares under this rule unless the Non-U.S. Holder has owned more than 5% of Unit Shares at any time during such 5-year or shorter period (a "5% Stockholder"). In determining whether a Non-U.S. Holder is a 5% Stockholder, the Non-U.S. Holder's Warrants may be included in such determination. In addition, certain attribution rules apply in determining ownership for this purpose. The Corporation does not believe that it is currently a USRPHC and does not anticipate becoming one in the foreseeable future. The Corporation can provide no assurances that the Unit Shares, Warrants or Warrant Shares will meet the Regularly Traded Exception at the time a Non-U.S. Holder purchases such securities or sells, exchanges or otherwise disposes of such securities. Non-U.S. Holders should consult with their own tax advisors regarding the consequences to them of investing in a USRPHC. As a USRPHC, a Non-U.S. Holder will be taxed as if any gain or loss were effectively connected with the conduct of a trade or business as described above in "Distributions on Shares of Common Stock and Warrant Shares" in the event that (i) such holder is a 5% Stockholder, or (ii) the Regularly Traded Exception is not satisfied during the relevant period. To the extent the Corporation is treated as a USRPHC, a buyer of Unit Shares, Warrants, or Warrant Shares may be required to withhold U.S. federal income tax at a rate of 15% of the amount realized on the applicable disposition.

Information Reporting and Backup Withholding

Generally, the Corporation must report annually to the IRS and to Non-U.S. Holders the amount of dividends paid on the Unit Shares and Warrant Shares to Non-U.S. Holders and the amount of tax, if any, withheld with respect to those payments. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which a Non-U.S. Holder resides under the provisions of an applicable income tax treaty, tax information exchange agreement, or other applicable arrangement.

In general, a Non-U.S. Holder will not be subject to backup withholding with respect to payments of dividends made by the Corporation, provided the Corporation receives a statement meeting certain requirements to the effect that the Non-U.S. Holder is not a U.S. person and the Corporation does not have actual knowledge or reason to know that the holder is a U.S. person, as defined under the Code, that is not an exempt recipient. The requirements for the statement will be met if (i) the Non-U.S. Holder provides its name, address and U.S. taxpayer identification number, if any, and certifies, under penalty of perjury, that it is not a U.S. person (which certification may be made on the applicable IRS Form W-8BEN or W-8BEN-E) or (ii) a financial institution holding the instrument on behalf of the Non-U.S. Holder certifies, under penalty of perjury, that such statement has been received by it and furnishes the Corporation or the paying agent with a copy of the statement. In addition, a Non-U.S. Holder will be subject to information reporting and, depending on the circumstances, backup withholding with respect to payments of the proceeds of a sale of Unit Shares, Warrants and Warrant Shares within the United States or conducted through certain U.S.-related financial intermediaries, unless the statement described above has been received, and the Corporation does not have actual knowledge or reason to know that a holder is a U.S. person, as defined under the Code, that is not an exempt recipient, or the Non-U.S. Holder otherwise establishes an exemption. Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, if any, provided the required information is furnished on a timely filed U.S. tax return with the IRS.

FATCA Withholding

Sections 1471 through 1474 of the Code ("Foreign Account Tax Compliance Act" or "FATCA") may impose withholding at a rate of 30% in certain circumstances on dividends in respect of, and, after December 31, 2018, gross proceeds from the sale or other disposition of, Unit Shares, Warrants and Warrant Shares, which are held by or through certain foreign financial institutions (including investment funds), unless any such institution (1) enters into, and complies with, an agreement with the IRS to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution that are owned by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments, or (2) if required under an intergovernmental agreement between the United States and an applicable foreign country, reports such information to its local tax authority, which will exchange such information with the IRS. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Accordingly, the entity through which Unit Shares, Warrants and Warrant Shares are held will affect the determination of whether such withholding is required. Similarly, dividends in respect of, and, after December 31, 2018, gross proceeds from the sale or other disposition of, Unit Shares, Warrants and Warrant Shares held by a holder that is a non-financial non-U.S. entity that does not qualify under certain exceptions will generally be subject to withholding at a rate of 30%, unless such entity either (1) certifies to the Corporation or the applicable withholding agent that such entity does not have any "substantial United States owners" or (2) provides certain information regarding the entity's "substantial United States owners," which will in turn be provided to the U.S. Department of Treasury. Non-U.S. Holders should consult with their own tax advisors regarding the possible implications of the foregoing rules on their holding of Unit Shares, Warrants and Warrant Shares.

RISK FACTORS

An investment in the Units is speculative and involves certain risks. Before making an investment decision, prospective purchasers of Units should carefully review and consider all the information described in this Prospectus and the documents incorporated by reference herein (including the AIF and the Listing Statement and subsequently filed documents incorporated by reference herein), including the risk factors described herein and therein (including the section entitled "Risk Factors" in the AIF). Some of the risk factors described herein and in the documents incorporated by reference herein (including subsequently filed documents incorporated by reference herein) are interrelated and, consequently, investors should treat such risk factors as a whole. If any event arises from these risks occurs, the Corporation's business, prospects, financial condition, results of operations and cash flows, and an investment in the Units, could be materially adversely affected. Additional risks and uncertainties of which the Corporation is currently unaware or that are unknown or that the Corporation currently deems to be immaterial could have a material adverse effect on the Corporation's business, prospects, financial condition, results of operations and cash flows. The Corporation cannot provide any assurances that it will successfully address any or all of these risks.

Risks Related to the Offering

Completion of the Offering

The completion of the Offering remains subject to a number of conditions. There can be no certainty that the Offering will be completed. Failure by the Corporation to satisfy all of the conditions precedent to the Offering would result in the Offering not being completed. If the Offering is not completed, the Corporation may not be able to raise the funds required for the purposes contemplated under "Use of Proceeds" from other sources on commercially reasonable terms or at all.

Discretion in the Use of Proceeds

Management of the Corporation will have discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditure. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering other than as described under the heading "Use of Proceeds" if they believe it would be in the Corporation's best interest to do so and in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Corporation's results of operations may suffer.

Additional Financing

The continued development of the Corporation will require additional financing. There is no guarantee that the Corporation will be able to achieve its business objectives. The Corporation expects to fund its business objectives by way of additional offerings of equity and/or debt financing. The failure to raise or procure such additional funds could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Corporation. If additional funds are raised by offering equity securities or convertible debt, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve the granting of security against assets of the Corporation and also contain restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Corporation to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Corporation will require additional financing to fund its operations until positive cash flow is achieved. See "*— Additional Issuance of Common Shares May Result in Dilution*" and "*— Negative Cash Flow from Operations"*.

No Current Market for Warrants

The Corporation has given notice to the CSE to list the Warrants. Listing will be subject to the Corporation fulfilling all of the listing requirements of the CSE. While the Corporation will use its reasonable efforts to list the Warrants on the CSE, there is no assurance that such listing will be obtained. There is currently no market through which the Warrants may be sold and no market may develop for the Warrants and purchasers may not be able to resell such Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation.

Volatile Market Price of the Common Shares

The market price of the Common Shares cannot be predicted and has been and may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control. This volatility may affect the ability of holders of Common Shares to sell their securities at an advantageous price. Market price fluctuations in the Common Shares may be due to the Corporation's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or competitive, regulatory or economic trends, adverse changes in the economic performance or market valuations of companies in the industry in which the Corporation operates, acquisitions, dispositions, strategic partnerships, joint ventures, capital commitments or other material public announcements by the Corporation or its competitors or government and regulatory authorities, operating and share price performance of the companies that investors deem comparable to the Corporation, addition or departure of the Corporation's executive officers and other key personnel, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Common Shares.

Financial markets have at times historically experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue or arise, the Corporation's operations may be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

Additional Issuance of Common Shares May Result in Dilution

The Corporation may issue additional securities in the future, which may dilute a shareholder's holdings in the Corporation. The Corporation's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The board of directors of the Corporation has discretion to determine the price and the terms of further issuances. As part of the Offering, the Corporation expects to issue 8,335,000 Units (or 9,585,250 Units if the Over-Allotment Option is exercised in full). Except as described under the "Plan of Distribution", the Corporation may issue additional Common Shares in subsequent offerings (including through the sale of securities convertible into or exchangeable or exercisable for Common Shares). Moreover, additional Common Shares will be issued by the Corporation on the exercise,

conversion or redemption of certain outstanding securities of the Corporation, in accordance with their terms. The Corporation may also issue Common Shares to finance future acquisitions. The Corporation cannot predict the size of future issuances of Common Shares or the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares. Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and the Corporation may experience dilution in its revenue per share.

Negative Cash Flow from Operations

During the fiscal year ended June 30, 2017, in the case of the Corporation, and December 31, 2017, in the case of MMDC, each of the Corporation and MMDC had negative cash flows from operating activities. During the three and nine months ended September 30, 2018, the Corporation had negative cash flows from operating activities. Although the Corporation anticipates it will have positive cash flow from operating activities in future periods, to the extent that the Corporation has negative cash flow in any future period, all or a portion of the net proceeds from the Offering may be used to fund such negative cash flow from operating activities.

Risks Related to the Business of the Corporation

Cannabis Continues to be a Controlled Substance under the United States Federal Controlled Substances Act

Unlike in Canada which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical cannabis under the Access to Cannabis for Medical Purposes Regulations (Canada) and the *Cannabis Act* (Canada), investors are cautioned that in the United States, cannabis is largely regulated at the State level. To date, a total of 33 states, plus the District of Columbia, have legalized cannabis in some form.

Notwithstanding the permissive regulatory environment of cannabis at the state level, cannabis continues to be categorized as a Schedule 1 controlled substance under the CSA in the United States and as such, remains illegal under federal law in the United States. As a result of the conflicting views between state legislatures and the federal government regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. The response to this inconsistency was addressed in August 2013 when then Deputy Attorney General, James Cole, authored the Cole Memo addressed to all United States district attorneys acknowledging that, notwithstanding the designation of cannabis as a controlled substance at the federal level in the United States, several states had enacted laws relating to cannabis for medical purposes.

The Cole Memo outlined the priorities for the Department of Justice relating to the prosecution of cannabis offenses. In particular, the Cole Memo noted that in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. Notably, however, the Department of Justice never provided specific guidelines for what regulatory and enforcement systems it deemed sufficient under the Cole Memo standard. In light of limited investigative and prosecutorial resources, the Cole Memo concluded that the Department of Justice should be focused on addressing only the most significant threats related to cannabis. States where medical cannabis had been legalized were not characterized as a high priority.

In March 2017, then newly appointed Attorney General Jeff Sessions again noted limited federal resources and acknowledged that much of the Cole Memo had merit. However, on January 4, 2018, Mr. Sessions issued a new memorandum that rescinded and superseded the Cole Memo effective immediately (the "**Sessions Memorandum**"). The Sessions Memorandum stated, in part, that current law reflects "Congress' determination that cannabis is a dangerous drug and cannabis activity is a serious crime", and Mr. Sessions directed all U.S. Attorneys to enforce the laws enacted by Congress and to follow well-established principles when pursuing prosecutions related to marijuana activities. The inconsistency between federal and state laws and regulations is a major risk factor. On November 7, 2018, Mr. Sessions tendered his resignation as Attorney General at the request of President Donald Trump. Following Mr. Sessions' resignation, Matthew Whitaker began serving as Acting United States Attorney General. It is unclear what impact, if any, Mr. Sessions' resignation will have on the enforcement of federal regulation of marijuana in the United States.

As a result of the Sessions Memorandum, federal prosecutors will now be free to utilize their prosecutorial discretion to decide whether to prosecute cannabis activities despite the existence of state-level laws that may be inconsistent with federal prohibitions. No direction was given to federal prosecutors in the Sessions Memorandum

as to the priority they should ascribe to such cannabis activities, and resultantly it is uncertain how active federal prosecutors will be in relation to such activities. Furthermore, the Sessions Memorandum did not discuss the treatment of medical cannabis by federal prosecutors. Medical cannabis is currently protected against enforcement by enacted legislation from United States Congress in the form of the Leahy Amendment to H.R.1625 – a vehicle for the Consolidated Appropriations Act of 2018 which similarly prevents federal prosecutors from using federal funds to impede the implementation of medical cannabis laws enacted at the state level, subject to Congress restoring such funding. In the event Congress fails to renew this federal law in the next budget bill, the foregoing protection for medical cannabis operators will be void. Due to the ambiguity of the Sessions Memorandum, there can be no assurance that the federal government will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with state law.

Notwithstanding the foregoing, in March 2018, as part of the Congressional omnibus spending bill, Congress renewed, through the end of September 2018, the Rohrabacher–Leahy Amendment ("**RLA**") which prohibits the Department of Justice from expending any funds for the prosecution of medical cannabis businesses operating in compliance with state and local laws. Congress passed the Continuing Appropriations Act, 2019 in September 2018, which extends the deadline of the March 2018 omnibus spending bill until December 7, 2018. Should the RLA not be renewed upon expiration in subsequent spending bills there can be no assurance that the federal government will not seek to prosecute cases involving medical cannabis businesses that are otherwise compliant with state law. Such potential proceedings could involve significant restrictions being imposed upon the Corporation or third parties, while diverting the attention of key executives. Such proceedings could have a material adverse effect on the Corporation's business, revenues, operating results and financial condition as well as the Corporation's reputation, even if such proceedings were concluded successfully in favour of the Corporation.

Federal law pre-empts state law in these circumstances, so that the federal government can assert criminal violations of federal law despite state law. The level of prosecutions of state-legal cannabis operations is entirely unknown, nonetheless the stated position of the current administration is hostile to legal cannabis, and furthermore may be changed at any time by the Department of Justice, to become even more aggressive. The Sessions Memorandum lays the groundwork for United States Attorneys to take their cues on enforcement priority directly from former Attorney General Jeff Sessions by referencing federal law enforcement priorities set by former Attorney General Jeff Sessions. If the Department of Justice pursues prosecutions, then the Corporation could face: (i) seizure of its cash and other assets used to support or derived from its cannabis subsidiaries; (ii) the arrest of its employees, directors, officers, managers and investors, and charges of ancillary criminal violations of the CSA for aiding and abetting and conspiring to violate the CSA by virtue of providing financial support to cannabis companies that service or provide goods to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis; or (iii) barring employees, directors, officers, managers and investors who are not U.S. citizens from entry into the United States for life. On September 21, 2018, the U.S. Customs and Border Protection ("**CBP**") issued the "CBP Statement on Canada's Legalization of Marijuana and Crossing the Border", in which the CBP confirmed the possibility of the foregoing, including the fact that "working in or facilitating the proliferation of the legal marijuana industry in U.S. states where it is deemed legal...may affect admissibility to the U.S."

With the repeal of the Cole Memo by former Attorney General Jeff Sessions, the Department of Justice could allege that the Corporation and its Board and, potentially its shareholders, "aided and abetted" violations of federal law by providing finances and services to its portfolio cannabis companies. Under these circumstances, it is possible that the federal prosecutor would seek to seize the assets of the Corporation, and to recover the "illicit profits" previously distributed to shareholders resulting from any of the foregoing financing or services. In these circumstances, the Corporation's operations would cease, shareholders may lose their entire investment and directors, officers and/or shareholders may be left to defend any criminal charges against them at their own expense and, if convicted, be sent to federal prison.

Additionally, there can be no assurance as to the position any new administration may take on marijuana and a new administration could decide to enforce the federal laws strongly. Any enforcement of current federal laws could cause significant financial damage to the Corporation and its shareholders. Further, future presidential administrations may want to treat marijuana differently and potentially enforce the federal laws more aggressively.

Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Corporation, including its reputation and ability to conduct business, its holding (directly or indirectly) of cannabis licenses in the United States, the listing of its

securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded common shares. In addition, it is difficult to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

Risks Associated with Acquisitions

As part of the Corporation's overall business strategy, the Corporation intends to pursue select strategic acquisitions, vertical integrations and a stronger presence in both existing and new jurisdictions. The success of any such acquisitions will depend, in part, on the ability of the Corporation to realize the anticipated benefits and synergies from integrating the applicable acquired entities or assets into the businesses of the Corporation. Future acquisitions may expose it to potential risks, including risks associated with: (i) the integration of new operations, services and personnel; (ii) unknown or undisclosed liabilities; (iii) the diversion of resources from the Corporation's existing businesses; (iv) potential inability to generate sufficient revenue to offset new costs; (v) the expenses of acquisitions; and (vi) the potential loss of or harm to relationships with both employees and consultants and existing customers, vendors, suppliers, contractors and other applicable parties resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

While the Corporation intends to conduct reasonable due diligence in connection with such strategic acquisitions, there are risks inherent in any acquisition. Specifically, there could be unknown or undisclosed risks or liabilities of such entities or assets for which the Corporation is not sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Corporation's financial performance and results of operations. The Corporation could encounter additional transaction and integration related costs or other factors such as the failure to realize all of the benefits from the acquisition. All of these factors could cause dilution to the Corporation's revenue per share or decrease or delay the anticipated accretive effect of the acquisition and cause a decrease in the market price of the Common Shares.

The Corporation may not be able to successfully integrate and combine the operations, personnel and technology infrastructure of any such strategic acquisition with its existing operations. If integration is not managed successfully by the Corporation's management, the Corporation may experience interruptions in its business activities, deterioration in its employee, customer or other relationships, increased costs of integration and harm to its reputation, all of which could have a material adverse effect on the Corporation's business, prospects, financial condition, results of operations and cash flows.

Control of the Corporation

Messrs. Robert Groesbeck and Larry Scheffler, the Co-Chief Executive Officers, Co-Chairmen and directors of the Corporation, are also the principal shareholders of the Corporation. Mr. Groesbeck owns or controls, directly or indirectly, 11,891,000 Common Shares and 26,125,470 Restricted Voting Shares, and Mr. Scheffler owns or controls, directly or indirectly, 12,266,000 Common Shares and 26,125,470 Restricted Voting Shares, representing, in the aggregate, approximately 63.9% of the equity of the Corporation (on a non-diluted basis) as a the date hereof. By virtue of their status as principal shareholders of the Corporation, and by each being a director and/or executive officer of the Corporation, each of Messrs. Groesbeck and Scheffler have the power to exercise significant influence over all matters requiring shareholder approval, including the election of directors (holders of Restricted Voting Shares shall be entitled to receive notice of and to attend any meeting of shareholders of Corporation and to exercise one vote for each Restricted Voting Share held at all meetings of shareholders, other than with respect to the vote for the election or removal of directors of the Corporation), amendments to the Corporation's articles and by-laws, mergers, business combinations and the sale of substantially all of the Corporation's assets. As a result, the Corporation could be prevented from entering into transactions that could be beneficial to the Corporation or its other shareholders. Also, third parties could be discouraged from making a take-over bid. As well, sales by either Messrs. Groesbeck and Scheffler of a substantial number of Common Shares could cause the market price of the Common Shares to decline.

Risks Relating to Taxes

U.S. Domestic Corporation for U.S. Federal Income Tax Purposes

The Corporation will be treated as a U.S. domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Code. As a result, the Corporation will be subject to U.S. income tax on its worldwide income and any dividends paid by the Corporation to Non-U.S. Holders (as defined in the discussion under "*Certain U.S. Federal Tax Considerations to Non-U.S. Holders*") will be subject to U.S. federal income tax withholding at a 30% rate or such lower rate as provided in an applicable treaty. The Corporation will continue to be treated as a U.S. domestic corporation for U.S. federal tax purposes.

In addition, Section 382 of the Code contains rules that limit for U.S. federal income tax purposes the ability of a corporation that undergoes an "ownership change" to utilize its net operating losses (and certain other tax attributes) existing as of the date of such ownership change. Under these rules, a corporation is treated as having had an "ownership change" if there is more than a 50% increase in stock ownership by one or more "five percent shareholders," within the meaning of Section 382 of the Code, during a rolling three-year period. The Corporation does not have any net operating loss carry forwards or research and development credit carry forwards as of December 31, 2017 that would be subject to Section 382 of the Code.

Furthermore, the Corporation will be subject to Canadian income tax on its worldwide income. Consequently, it is anticipated that the Corporation may be liable for both U.S. and Canadian income tax, which could have a material adverse effect on its financial condition and results of operations.

Because the Common Shares are treated as shares of a U.S. domestic corporation, the U.S. gift, estate and generation-skipping transfer tax rules generally apply to a Non-U.S. Holder of Common Shares.

Withholding Tax on Dividends

Dividends received by holders of Common Shares who are residents of Canada for purposes of the Tax Act will be subject to U.S. withholding tax. A foreign tax credit under the Tax Act in respect of such U.S. withholding taxes may not be available to such holder. See "*Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Dividends*".

Dividends received by Non-Resident Holders of Common Shares who are U.S. Holders (as such term is described above) will not be subject to U.S. withholding tax but will be subject to Canadian withholding tax. Since the Corporation will be considered to be a U.S. domestic corporation for U.S. federal income tax purposes, dividends paid by the Corporation will be characterized as U.S. source income for purposes of the foreign tax credit rules under the Code. See "*Certain U.S. Federal Tax Considerations to Non-US Holders*".

A holder that is both a Non-Resident Holder and a Non-U.S. Holder may be subject to (a) Canadian withholding tax (see "*Certain Canadian Federal Income Tax Considerations*"), and (b) United States withholding tax (see "*Certain U.S. Federal Income Tax Considerations to Non-U.S. Holders*") on dividends received on the Common Shares. Non-Resident Holders and Non-U.S. Holders should consult their own tax advisors with respect to the availability of any foreign tax credits or deductions in respect of any Canadian or United States withholding tax applicable to dividends on the Common Shares.

The foregoing discussion is subject in its entirety to the summaries set forth in "*Certain Canadian Federal Income Tax Considerations*" and "*Certain U.S. Federal Tax Considerations to Non-U.S. Holders*".

U.S. Tax Classification – United States Real Property Holding Corporation

The Corporation is treated as a U.S. domestic corporation for U.S. federal income tax purposes under Section 7874 of the Code. As a U.S. domestic corporation for U.S. federal income tax purposes, the taxation of the Corporation's Non-U.S. Holders upon a disposition of Common Shares generally depends on whether the Corporation is classified as a USRPHC. The Corporation does not believe that it is currently a USRPHC and does not anticipate becoming one in the foreseeable future. However, the Corporation has not sought and does not intend to seek formal confirmation of its status as a non-USRPHC from the IRS. If the Corporation ultimately is determined by the IRS to

constitute a USRPHC, its Non-U.S. Holders may be subject to U.S. federal income tax on any gain associated with the disposition of the Common Shares. See "*Certain U.S. Federal Tax Considerations to Non-U.S. Holders*".

U.S. Federal Income Tax Treatment of the Corporation

Under U.S. federal income tax law, Code Section 280E, as amended, prohibits businesses from deducting certain expenses associated with trafficking controlled substances (within the meaning of Schedule I and II of the Controlled Drugs and Substances Act). The U.S. Internal Revenue Service ("**IRS**") has invoked Code Section 280E in tax audits of various cannabis businesses in the U.S. that are permitted under applicable state laws. Although the IRS issued a clarification allowing the deduction of certain expenses, the scope of such items is interpreted very narrowly and the bulk of operating costs and general administrative costs are not permitted to be deducted. While there are currently several cases pending before various administrative and federal courts challenging these restrictions, there is no guarantee that these courts will issue an interpretation of Code Section 280E favorable to cannabis businesses.

U.S. states and localities may impose excise, cultivation, sales and use and other similar taxes on cannabis businesses or their customers. For example, California law imposes an excise tax to be paid by the end-consumer and the dispensary and a cultivation tax to be paid by cultivators on all harvested cannabis that enters the commercial market, in addition to any sales and use tax imposed at the state and local level. The tax regime that is applicable to the Corporation's business will have a direct impact on its operations and profitability and, in extreme cases, may make pursuing the Corporation's expected business plan unprofitable.

LEGAL MATTERS

Certain legal matters relating to the Offering will be passed upon on behalf of the Corporation by Cassels Brock & Blackwell LLP, and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP. As of the date hereof, Cassels Brock & Blackwell LLP, and its partners and associates, and Fasken Martineau DuMoulin LLP, and its partners and associates, beneficially own, directly or indirectly, in their respective groups, less than 1% of any class of outstanding securities of the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

MNP LLP is the auditor of the Corporation and has confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations. Macias, Gini & O'Connell, LLP and Abraham Chan LLP have performed the audit in respect of certain financial statements incorporated by reference herein. As of the date hereof, Macias, Gini & O'Connell, LLP, and its partners and associates, and Abraham Chan LLP, and its partners and associates, beneficially own, directly or indirectly, in their respective groups, less than 1% of any class of outstanding securities of the Corporation.

The transfer agent and registrar for the Common Shares is Odyssey Trust Company at its principal offices in Calgary, Alberta.

PURCHASERS' STATUTORY RIGHTS

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 be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. 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, revision 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 Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in this Prospectus is limited, in certain provincial securities legislation, to the price at which the Warrant is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in

those 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.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Robert Groesbeck and Larry Scheffler, the co-Chief Executive Officers, co-Chairman's and directors of the Corporation, and Michael Harman, a director of the Corporation, each reside outside of Canada and have each appointed Cassels Brock & Blackwell LLP, Suite 2100, Scotia Plaza, 40 King Street West, Toronto, Ontario M5H 3C2, as his or her agent for service of process in Canada. Macias, Gini & O'Connell, LLP, the auditor in respect of certain financial statements attached to the Listing Statement, is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that resides outside of Canada or is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction, even if the party has appointed an agent for service of process.

CERTIFICATE OF THE CORPORATION

Dated: November 14, 2018

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

(Signed) ROBERT GROESBECK
Co-Chief Executive Officer

(Signed) LARRY SCHEFFLER
Co-Chief Executive Officer

(Signed) DENNIS LOGAN
Chief Financial Officer

On behalf of the Board of Directors

(Signed) MARC LUSTIG
Director

(Signed) MICHAEL HARMAN
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: November 14, 2018

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of British Columbia, Alberta, Ontario, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

BEACON SECURITIES LIMITED

"*Mario Maruzzo*"
Managing Director, Investment Banking

CANACCORD GENUITY CORP.

"*Steve Winokur*"
Managing Director, Investment Banking

CORMARK SECURITIES INC.

"*Chris Shaw*"
Managing Director, Investment Banking