

Planet 13 Holdings Inc.

Bought Deal Public Offering of Units

Upsized Term Sheet

January 12, 2021

A preliminary short form prospectus containing important information relating to the securities described in this document has not yet been filed with the securities regulatory authorities in all of the Provinces of Canada (except Quebec). A copy of the preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the securities. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

- Issuer:** Planet 13 Holdings Inc. (the “**Company**”).
- Offering:** 8,575,000 units (the “**Units**”) in the capital of the Company, with each Unit consisting of one common share (a “**Common Share**”) in the capital of the Company and one half (1/2) of one common share purchase warrant (each whole common share purchase warrant, a “**Warrant**”) of the Company.
- Issue Price:** C\$7.00 per Unit.
- Gross Proceeds:** C\$60,025,000
- Warrants:** Each Warrant shall be exercisable to acquire one Common Share (a “**Warrant Share**”) at price per Warrant Share of C\$9.00 for a period of 24 months from the Closing Date (as defined below).
- Over-Allotment Option:** The Company has granted the Underwriters (as defined below) an option (the “**Over-Allotment Option**”), exercisable, in whole or in part, by Beacon (as defined below), on behalf of the Underwriters, at any time and from time to time up to 30 days following the Closing Date (as defined below), to purchase up to an additional number of Units (the “**Additional Units**”) equal to 15% of the Units sold pursuant to the Offering at a price per Additional Unit equal to the Issue Price to cover over-allotments, if any, and for market stabilization purposes. All references herein to the “Offering” shall be deemed to include the Over-Allotment Option and all references herein to the “Units” shall be deemed to include the Additional Units. For certainty, the Over-Allotment Option shall be exercisable for Additional Units, Warrants, or Common Shares (or any combination thereof).
- Use of Proceeds:** The net proceeds from the Offering will be used for potential acquisitions, working capital and general corporate purposes.
- Form of Offering:** Bought deal short form prospectus offering in all of the Provinces of Canada (except Quebec) and by private placement to eligible purchasers resident in jurisdictions other than Canada that are mutually agreed to by the Company and Beacon, each acting reasonably, provided that no prospectus filing or comparable obligation arises and the Company does not thereafter become subject to continuous disclosure obligations in such jurisdictions.
- The Units may also be offered and sold in the United States only to a limited number of Qualified Institutional Buyers (as defined in Rule 144A under the United States Securities Act of 1933, as amended (the “**1933 Act**”)) by way of private placement pursuant to an available exemption from the registration requirements of the 1933 Act and similar exemptions under applicable state securities laws.. Any Units offered and sold in the United States shall be issued as “restricted securities” (as defined in Rule 144(a)(3) under the 1933 Act).
- Eligibility:** The Units will be eligible for investment under certain statutes as well as for RRSPs, RRIFs, RESPs, DPSPs and TFSAAs.

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- Listing:** The Company shall obtain the necessary approvals to list the common shares underlying the Units, the Warrants, the Warrant Shares and the common shares issuable pursuant to the Compensation Options (as defined below) under the Company's trading symbol "PLTH" on the Canadian Securities Exchange, which listing shall be conditionally approved prior to the Closing Date.
- Co-Lead Underwriters:** Beacon Securities Limited ("**Beacon**") and Canaccord Genuity Corp. (collectively, the "**Underwriters**").
- Underwriters' Compensation:** 6% cash fee;
6% compensation options (the "**Compensation Options**") exercisable into Common Shares at the Issue Price for 24 months following the Closing Date.
- Closing Date:** On or about February 2, 2021 or such other date as mutually agreed to between Beacon and the Company, each acting reasonably.