

MANAGEMENT INFORMATION CIRCULAR

CAPTOR CAPITAL CORP.

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON AUGUST 3, 2018**

June 27, 2018

**CAPTOR CAPITAL CORP.
4 KING STREET WEST
SUITE 401
TORONTO, ONTARIO M5H 1B6**

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting of the shareholders (the “**Meeting**”) of Captor Capital Corp. (the “**Corporation**”) will be held at 4 King Street West, Suite 401, Toronto, Ontario on, the 3rd day of August, 2018 at 10:00 a.m. (Toronto time) for the following purposes:

- (a) to elect directors for the ensuing year;
- (b) to appoint auditors and to authorize the directors to fix their remuneration;
- (c) to consider and, if thought advisable, pass a resolution confirming the Stock Option Plan of the Corporation;
- (d) to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, substantially in the form of the resolution set forth in the accompanying management information circular of the Corporation (the “**Circular**”), approving a change of business of the Corporation from a “investment issuer” to an issuer solely focused on owning, operating and investing in cannabis assets, as more particularly described in the Circular;
- (e) to transact such further or other business as may properly come before the Meeting or any adjournment thereof.

This notice is accompanied by a form of proxy and a management information circular.

Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed form of proxy so that as large a representative as possible may be had at the Meeting. To be valid, the proxy must be received by TSX Trust Company before 10:00 a.m. (Toronto time) August 1, 2018 or delivered to the chairman on the day of the Meeting or any adjournment thereof.

DATED at Toronto, Ontario as of the 27th day of June, 2018.

BY ORDER OF THE BOARD

(signed) John Zorbas

John Zorbas
President

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GLOSSARY OF DEFINED TERMS

The following is a glossary of certain terms used in this Circular including the Summary and schedules attached hereto. Terms and abbreviations used in the Summary and schedules to this Circular may be defined separately and any subsequent definitions and abbreviations shall supersede the following definitions and abbreviations for the purposes of the Summary and schedules they are subsequently defined in.

- (a) “Beneficial Shareholder” means holders of beneficial interests in Common Shares whose names do not appear in the Corporation’s register of shareholders;
- (b) “OBCA” means the *Business Corporations Act* (Ontario), as may be amended or replaced from time to time;
- (c) “Board” means the board of directors of the Corporation;
- (d) “Change of Business” or “COB” means a transaction or series of transactions which will redirect an issuer’s resources and which changes the nature of its business, for example, through the acquisition of an interest in another business which represents a material amount of the issuer’s market value, assets or operations, or which becomes the principal enterprise of the issuer;
- (e) “Circular” means this management information circular of the Corporation dated as at November 15, 2016;
- (f) “Common Shares” means the common shares in the capital of the Corporation;
- (g) “Corporation” or “Captor” means Captor Capital Corp.;
- (h) “CSE” means the Canadian Securities Exchange;
- (i) “Meeting” means the annual and special meeting of the shareholders of the Corporation to be held on August 3, 2018 at 10:00 a.m. (Toronto time);
- (j) “Notice of Meeting” means the notice of the Meeting of the Corporation dated June 27, 2018 which accompanies this Circular;
- (k) “Proposed COB” means the proposed Change of Business of the Corporation from a “investment company” to an issuer solely focused on owning , operating and investing in cannabis assets, as more particularly described in this Circular;
- (l) “Proposed COB Resolution” means the resolution to be put to the Meeting and voted on by the Corporation’s shareholders to approve the Proposed COB, the full text of which is set out in this Circular under the heading - *Particulars of Matters to be Acted Upon – Proposed COB*;
- (m) “Proxy” means the form of proxy accompanying this Circular;
- (n) “Record Date” means June 25, 2018, being the date set for determining which shareholders of the Corporation are entitled to receive notice of and vote at the Meeting;
- (o) “Registered Shareholder” means a holder of record of Common Shares; and

Words importing the singular include the plurals and vice versa and words importing any gender include all genders.

All references in this Circular to “dollars” or “\$” are to Canadian dollars.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this Circular (including the schedules attached hereto and the documents incorporated

by reference herein) constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. The use of any of the words “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “goal”, “predict”, “potential”, “should”, “believe”, “intend” or the negative of these terms and similar expressions are intended to identify forward-looking information and statements. The information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information and statements. Such statements reflect the Corporation’s current views with respect to certain events, and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Corporation’s actual results, performance, or achievements to vary from those described in this Circular (including the schedules attached hereto and the documents incorporated by reference herein). Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this Circular as intended, planned, anticipated, believed, estimated, or expected.

The forward-looking statements contained herein are based on certain key expectations and assumptions, including expectations and assumptions concerning the success of the operation of the Corporation after completion of the Proposed COB.

With respect to the forward-looking statements contained herein, although the Corporation believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the Corporation’s ability to raise sufficient capital to be able to execute on its business strategy; the Corporation’s lack of operating history as a cannabis company; exposure to risks and sensitivity to macro-economic conditions; regulatory and legal risks associated with operating a cannabis business; volatility of the Corporation’s stock price; risks relating to the trading price of the Common Shares relative to the value of its assets and performance of its business;; the dependence on management and directors; risks relating to additional funding requirements; due diligence risks; exchange rate risks; risks relating to non-controlling interests; potential conflicts of interest; and potential transaction and legal risks, as more particularly described under the heading “*Risk Factors*” in this Circular.

The forward-looking statements contained in this Circular, including the documents incorporated by reference herein, identify additional factors that could affect the operating results and performance of the Corporation. We urge you to consider those factors. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements speak only as of the date of this Circular. The Corporation does not intend or assume any obligation to update these forward-looking statements to reflect new information, subsequent events or otherwise, except as required by law.

SUMMARY

The following is a summary of information relating to the Corporation and the matters to be acted upon at the Meeting should be read together with the more detailed information and financial data and statements contained elsewhere or incorporated by reference in this Circular. This Summary is qualified in its entirety by the more detailed information and financial data appearing or referred to elsewhere in the Notice of Meeting and this Circular, including the schedules attached hereto. Certain capitalized words and terms used in this Summary are defined in the Glossary of Defined Terms above.

The Meeting

The Meeting will be held at 4 King Street West, Suite 401 on August 3, 2018, at 10:00 a.m. (Toronto time), for the purposes set forth in the accompanying Notice of Meeting.

The Record Date for determining the shareholders of the Corporation eligible to receive notice of and to vote at the Meeting is 5:00 p.m. (Toronto time) on June 25, 2018.

Purpose of the Meeting

In addition to the annual meeting matters, shareholders will be asked to consider two matters of special business.

1. Shareholders will be asked to consider, and if thought fit, to pass, with or without variation, an ordinary resolution substantially in the form set out in this Circular to ratify the Corporation's existing stock option plan ("**Option Plan**").
2. Shareholders will be asked, and if thought fit, to pass, with or without variation, an ordinary resolution, substantially in the form of the resolution set forth in this Circular, approving the Proposed COB of the Corporation from a merchant banking and investment company to a company solely focused on owning, operating and investing in cannabis assets, as more particularly described in the Circular. (the "**Proposed COB Resolution**")

Current Business of the Corporation and Proposed COB

The Corporation was an investment and merchant banking company. The majority of Captor's investments (by dollar value) were made in cannabis companies operating in the United States. Management believes that there is continued opportunities in the growing cannabis industry in the United States and believes that Captor is poised to acquire high quality and operating cannabis assets involved in cultivation, processing, manufacturing, distribution and retail sales.

As a result, the directors and management of the Corporation believe it is in the best of interests of Captor and its shareholders to focus its business solely on the operating, ownership and investment in cannabis assets. The Board believes that its network of business contacts, the depth of experience of its management team and its overall entrepreneurial approach will enable it to identify and capitalize on opportunities in the cannabis industry. There will be no specific transaction or acquisition completed in connection with the Proposed COB.

If shareholders approve the Proposed COB, the Corporation's primary focus will be to seek returns through investing in, owning and operating cannabis assets and companies operating in the cannabis industry in the areas of cultivation, processing, manufacturing, distribution and retail sales.

Proposed Business of Captor following the Proposed COB

If shareholders approve Proposed COB, the Corporation intends to change its business focus from a diversified investment and merchant banking company and focus solely on cannabis. Captor has made significant investments

into the cannabis industry and with the current changes in laws regarding the medical and adult use of cannabis. Captor is continuing to see great opportunities to invest in the sector, use its operational staff in California to increase profitability of the acquisition targets thereby increasing shareholder value.

The Corporation owns all of the shares of I-5 Holdings Ltd., a Canadian company focused on the US recreational and medicinal cannabis industries, with the goal of becoming a leading consumer-driven organization focused on delivering the highest quality cannabis products and experiences. With assets covering all three key verticals - cannabis production and processing, as well as a retail dispensary network - I-5 Holdings is uniquely positioned to benefit from the ongoing increase in legally available cannabis.

The company currently has operations in Washington and California. In California, I-5 Holdings controls two dispensaries that are licensed for recreational retail sales of cannabis products located in West Hollywood and Santa Ana, respectively. Each of these dispensaries are branded as MedMen stores and are both operated and managed by MedMen under separate management contracts.

In Washington state, I-5 has leased two cannabis cultivation facilities that are both equipped to produce high-grade cannabis. I-5 is in the process of sub-leasing these facilities to holders of cannabis cultivation licences. I-5 is also in the process of negotiating licence agreements with the sub-lessee cultivators for the use of certain intellectual property such as operational procedures and cultivation processes and methods in exchange for licence fees based upon the amount of cannabis produced at I-5's facilities.

Going forward, the Corporation will continue to look for and identify cannabis assets and investments to acquire. The investment objective of the Corporation will be to provide shareholders with long-term capital growth by acquiring and investing in a portfolio of undervalued cannabis assets in the retail and cultivation space primarily.

Trading Halt

On April 9, 2018, Captor announced the Proposed COB and its intention to seek shareholder approval. In accordance with other rules and policies of the CSE, trading in Captor shares was halted. In order for the trading halt to be lifted, among other things, the CSE must approve the materials being sent to shareholders of Captor asking shareholders to approve the Proposed COB.

Regulatory Approvals

The Proposed COB must be approved by the CSE. Captor will be required to submit a Listing Statement to the CSE, which must be approved by the CSE before the Proposed COB can become effective.

Shareholder Approval

As a condition to the Proposed COB becoming effective, the CSE requires that shareholders approve the Proposed COB. At the Meeting, shareholders will be asked to approve the Proposed COB Resolution, a copy of which is appended to this Information Circular as Schedule "A". To be approved, the Proposed COB Resolution requires the affirmative vote of at least a majority of the votes cast by shareholders at the Meeting, whether in person or by proxy.

Recommendation of the Board of Directors

The Corporation has shifted its business focus and strategy from that of an investment and merchant banking company to a company that is focused solely on the operation, ownership and investment in cannabis assets. After careful consideration of a number of factors, the board has determined unanimously that its new business focus as a cannabis company is in the best interests of the Corporation and its shareholders. In accordance with the rules and policies of the CSE, the Proposed COB must be approved by the Corporation's shareholders. Accordingly, the board has authorized the submission of the Proposed COB Resolution, in substantially the form of resolution contained in this Circular, to shareholders for approval at the Meeting. **The Board unanimously recommends that the Corporation's shareholders vote IN FAVOUR of the Proposed COB.**

The Board unanimously recommends that the Corporation's shareholders vote IN FAVOUR of the ratification of the SOP.

Interests of Insiders

The directors and officers of the Corporation and their associates and affiliates, as a group, beneficially own, or control or direct, directly or indirectly, an aggregate of 9,003,500 Common Shares, representing approximately 1.15% of the outstanding Common Shares.

Conflicts of Interest

Certain of the individuals proposed for appointment as directors or officers of the Corporation are also directors, officers and/or promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Corporation, notwithstanding that they will be bound by the provisions of the *Business Corporations Act* (Ontario) to act at all times in good faith in the interests of the Corporation and to disclose such conflicts to the Corporation if and when they arise. To the best of their respective knowledge, the Corporation is not aware of the existence of any conflicts of interest between the Corporation and any of the individuals proposed for appointment as directors or officers of the Corporation, as of the date of this Filing Statement.

Risk Factors

Certain risk factors associated with the Proposed COB and those risk factors specific to the Corporation which Shareholders should consider include:

- Shareholders do not approve the Proposed COB;
- The CSE does not approve the Corporation's Listing Statement
- Risks related to operating and involvement in the cannabis industry in the United States
- the Corporation's lack of operating history as a cannabis company;
- risks related to the need and availability of additional financing;
- risks related to volatile global financial and economic conditions;
- risks related to competition in the cannabis industry;
- risk related to the reliance on key personnel
- portfolio exposure risks and sensitivity to macro-economic conditions;
- the availability of sources of income to generate cash flow and revenue;
- risks related to the products being sold by the Corporation being subject to regulations governing druges, food, dietary supplements, controlled substances and related products;
- risks related to the agricultural industry;
- risks related to product liability and product recalls;
- Dependence on suppliers, raw materials and skilled labour;
- Operational risks and insurance coverage;
- the volatility of the Corporation's stock price;
- risks relating to available investment opportunities and competition for investments;
- due diligence risks;

as more particularly described under the heading "Risk Factors" in this Circular.

SOLICITATION OF PROXIES

THIS INFORMATION CIRCULAR (THE “INFORMATION CIRCULAR”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF NWT URANIUM CORP. (THE “CORPORATION”) OF PROXIES TO BE USED AT THE ANNUAL AND SPECIAL MEETING (THE “MEETING”) OF SHAREHOLDERS OF THE CORPORATION TO BE HELD AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ENCLOSED NOTICE OF MEETING. While it is expected that the solicitation will be primarily by mail, proxies may also be solicited personally by regular employees of the Corporation at nominal cost. The cost of solicitation by management will be borne directly by the Corporation. None of the directors of the Corporation have advised management in writing that they intend to oppose any action intended to be taken by management at the Meeting. Information contained herein is presented as of November 15, 2016, unless otherwise indicated.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM AT THE MEETING MAY DO SO** either by inserting such person’s name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent of the Corporation, TSX Trust Company, Suite 300, 100 Adelaide Street West, Toronto, Ontario M5H 4H1, not later than 10:00 a.m. (Toronto time) on August 1, 2018 or delivering the completed proxy to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting.

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either:

1. by delivering another properly executed form of proxy bearing a later date and depositing it as described above;
2. by depositing an instrument in writing revoking the proxy executed by him or her:
 - (a) with TSX Trust Company at any time not later than 10:00 a.m. (Toronto time) on August 1, 2018 (or, if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting);
 - (b) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, prior to the commencement of the Meeting or any adjournment thereof, as applicable; or
 - (c) in any other manner permitted by law.

VOTING OF PROXIES

Common Shares represented by properly executed proxies **WILL BE VOTED OR WITHHELD FROM VOTING IN ACCORDANCE WITH THE INSTRUCTIONS OF THE SHAREHOLDER ON ANY BALLOT THAT MAY BE CALLED FOR AND IF THE SHAREHOLDER SPECIFIES A CHOICE WITH RESPECT TO ANY MATTER TO BE ACTED UPON, THE COMMON SHARES WILL BE VOTED ACCORDINGLY.** Where there is no choice specified, Common Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed form of proxy **WILL BE VOTED FOR EACH OF THE MATTERS TO BE VOTED ON BY SHAREHOLDERS AS DESCRIBED IN THIS INFORMATION CIRCULAR.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of Meeting, or other matters which may properly come before the Meeting.

At the time of printing this Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which at present are not known to management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of Common Shares. The holders of Common Shares are entitled to one (1) vote in respect of each Common Share held at all meetings of the shareholders of the Corporation. As of June 27, 2018, the Corporation had outstanding 775,297,395 Common Shares.

The record date for the determination of shareholders entitled to receive notice of the Meeting has been fixed as the close of business on June 25. In accordance with the provisions of the *Business Corporations Act* (Ontario), the Corporation will prepare a list of holders of Common Shares on such record date. Each holder of Common Shares named in the list will be entitled to vote the shares shown opposite his name on the list at the Meeting except to the extent that (a) the shareholder has transferred any of his shares after the record date, and (b) the transferee of those shares produces properly endorsed share certificates or otherwise establishes that he owns such shares and demands, not later than the close of business on the tenth business day before the Meeting, that his name be included in the list before the Meeting, in which case the transferee is entitled to vote his shares at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the date hereof, there are no person who beneficially owns, controls or directs, directly or indirectly, more than 10% of the issued and outstanding Common Shares.

NON-REGISTERED HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Corporation are “non-registered” shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. A person is not a registered shareholder (a “**Non-Registered Holder**”) in respect of Common Shares which are held either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Common Shares (an Intermediary includes, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIF’s, RESP’s and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.), of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the notice of Meeting, this Information Circular and the proxy and supplemental mailing card (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them.

Intermediaries will frequently use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder and must be completed, but not signed, by the Non-Registered Holder and deposited with TSX Trust Company; or
- (b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names in the proxy and insert the Non-Registered Holder’s name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

“Named Executive” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of Captor Capital Corp. (the “**Corporation**”), during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) above at the end of the most recently completed financial year whose total compensation was more than \$150,000;
- (d) each individual who would be a named executive officer under paragraph (c) above, but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year;

The Named Executives who are the subject of this Statement of Executive Compensation are Chief Executive Officer, Henry Kloeppe, President, John Zorbas and Chief Financial Officer, Jing Peng.

The Compensation Committee of the board of directors of the Corporation during the fiscal year ended March 31, 2017 was comprised of John Zorbas, Henry Kloeppe, Kyle Appleby and Alex Dementev. The compensation of the Corporation’s Named Executives and directors was determined by the Corporation’s board of directors as a whole, after having received recommendations from the Compensation Committee who have monitored the Corporation’s compensation practices to ensure that the Corporation maintains its competitiveness and that it appropriately recognizes reward, growth and change within the organization, along with the Corporation’s current state of development and financial position. Compensation of the Corporation’s Named Executives and directors is reviewed by the Compensation Committee and the board of directors on an annual basis. In the event a Named Executive Officer may be entitled to a discretionary bonus, the Compensation Committee reviews that individual’s performance, their contribution to the advancement of the Corporation’s goals and objectives and the financial performance and position of the Corporation. The Compensation Committee makes bonus recommendations to the board of directors annually and the board, as a whole, makes decisions with respect to any discretionary bonuses. Named Executives are not permitted to participate in the discussion or vote in connection with their own compensation.

Compensation for Named Executives is composed of three components, namely, base salary, participation in the Corporation’s Stock Option Plan, and non-equity incentives. When determining such compensation, the board of directors has taken into consideration individual performance, level of expertise, responsibilities, length of service to the Corporation and contribution to the financial health of the Corporation.

The general compensation philosophy of the Corporation for executive officers is to provide a level of compensation that is fair and competitive within the marketplace, that will attract and retain individuals with the experience and qualifications critical to the success of the Corporation and the enhancement of shareholder value, and that will reward the performance of those executives whose actions have a direct and identifiable impact on the performance of the Corporation. From time to time, the Corporation grants incentive stock options as well as non-equity incentives as part of total compensation to its Named Executive Officers.

Base Salary

The base salaries paid to the Corporation’s Named Executives are based upon the Corporation’s assessment of the salaries required to attract and retain the calibre of executives it needs to achieve its desired growth and performance targets.

Stock Options

The Corporation's Stock Option Plan is intended to assist in attracting, retaining and motivating directors, officers, employees and service providers of the Corporation to closely align the personal interests of such directors, officers, employees and service providers with those of the shareholders by providing them with the opportunity, through options, to acquire Common Shares.

Decision to grant stock options is made by the board of directors and is done in compliance with the Stock Option Plan and the rules and policies of the CSE. When the board of directors of the Corporation considers granting stock options, the board will take into consideration (i) the relative contributions of the individuals who are eligible to receive options; and (ii) the availability of options for issuance, general market conditions, and the Corporation's recent share performance.

Non-Equity Incentives

Non-equity incentives are a variable element of the total compensation package, and though there is no formal plan in place at the current time and no non-equity incentive compensation (other than salary) was paid to Named Executives or directors of the Corporation during the fiscal year ended March 31, 2016.

Summary Compensation Table

The following table sets forth all compensation for services rendered in all capacities to the Corporation for the fiscal years ended March 31, 2018 and March 31, 2017 in respect of the Named Executives of the Corporation. The Corporation had no other executive officers, or individuals acting in a similar capacity, whose total compensation during the fiscal year ended March 31, 2018 exceeded \$150,000.

Table of compensation excluding compensation securities							
Name and Principal Position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee of meeting fees (\$)	Value of perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Henry Kloemper CEO and Director ⁽¹⁾⁽⁴⁾	Mar 31/18	105,500	Nil	Nil	Nil	Nil	105,000
	Mar. 31/17	105,500	Nil	Nil	Nil	Nil	105,500
John Zorbas President and Director ⁽²⁾⁽⁴⁾	Mar 31/18	219,996	Nil	Nil	Nil	Nil	219,996
	Mar. 31/17	219,996	Nil	Nil	Nil	Nil	219,996
Jing Peng, CFO ⁽³⁾⁽⁴⁾	Mar 31/18	18,000	Nil	Nil	Nil	Nil	18,000
	Mar. 31/17	18,000	Nil	Nil	Nil	Nil	18,000

Notes:

- Mr. Kloemper was appointed President and CEO on December 20, 2013. In March 2014, Mr. Kloemper resigned as President. Mr. Kloemper provides his services as CEO through 2249872 Ontario Ltd., a corporation wholly owned by Mr. Kloemper. The management fees paid to 2249872 Ontario Ltd. are for the CEO function performed by Mr. Kloemper which includes the day-to-day operations of the Corporation as well as an implementation of the Corporation's long and short term plans. Included in accounts payable and accrued liabilities at March 31, 2018 was \$47,190 (March 31, 2017 - \$110,460) due to 2249872 Ontario Ltd. The Corporation has no ongoing contractual obligation or commitment to 2249872 Ontario Ltd.
- All compensation shown above for Mr. Zorbas' services were payable to Alegana Enterprises Ltd. ("Alegana"), a company wholly owned by John Zorbas through which Mr. Zorbas provides his services to the Corporation. Alegana provides consulting services to the Corporation for \$220,000 a year under the terms of a written contract that runs for an indefinite term. The consulting fees paid to Alegana are for the function of the President which include, but are not limited to, managing the operations of the Corporation. Alegana may receive, at the sole discretion of the board of directors, a performance bonus of up to 400% of the annual consulting fee payable by the Corporation to Alegana. All amounts payable by the Corporation to Alegana during the fiscal year ended March 31, 2017 have been deferred by Alegana until the Corporation is in a better financial position. Included in accounts payable and accrued liabilities as at March 31, 2018 owing to Alegana was \$681,369 (March 31, 2017 - \$531,372). Upon termination of Alegana by the Corporation without cause or a termination following a change of control, the Corporation is obligated to pay Alegana: (a) 1.5 times Alegana's annual consulting fee; and (b) an amount equal to 1.5 times the amount of all bonuses John Zorbas received for the most recent calendar year ended prior to the termination date or 2 times the amount of Alegana's annual consulting fee should John Zorbas not have received a bonus for the most recent calendar year ended prior to the termination date. Upon termination of Alegana under any other circumstances, the Corporation is not obligated to pay Alegana any penalty.
- Mr. Jing Peng, the Chief Financial Officer ("CFO"), is a senior employee of MSSSI. The management fees paid to MSSSI relate to CFO function performed by Mr. Peng which includes the reporting of financial information and the safeguard of the Corporation's assets. Included in accounts payable and accrued liabilities as at March 31, 2018 was \$46,045 (March 31, 2017 - \$17,713) owing to MSSSI. The Corporation has no ongoing contractual obligation or commitment to MSSSI.

- 4) Compensation for year ended March 31, 2018 was not available at the date of this circular and was estimated based on the amounts for the year ended March 31, 2107.

Director and Named Executive Officer Stock Options and Other Compensation Securities

The table below reflects all option-based awards for each Named Executive Officer outstanding as at March 31, 2018. The Corporation does not have any other equity incentive plans other than the Stock Option Plan.

NEO OPTION-BASED AWARDS OUTSTANDING AS AT MARCH 31, 2018				
Name of Named Executive Officer	Number of Securities Underlying Unexercised Options⁽¹⁾	Option Exercise Price (CDN\$/Security)	Option Expiration Date	Value of Unexercised In-the-Money Options (CDN\$)
Jing Peng	300,000	0.1	November 29, 2019	40,500
Henry Kloepper	500,000	0.1	November 29, 2019	67,500
Alex Dementev.	650,000	0.1	November 29, 2019	87,750
Kyle Appleby	750000	0.1	November 29, 2019	101,250
John Zorbas	2,000,000	0.1	November 29, 2019	270,000

(1) All stock options shown above for Mr. Zorbas have been granted to Alegana Enterprises Ltd. ("Alegana"), a company wholly owned by John Zorbas through which Mr. Zorbas provides his services to the Corporation.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table provides information concerning the incentive award plans of the Corporation with respect to each Named Executive Officer during the fiscal year ended March 31, 2018. The only incentive award plan of the Corporation during fiscal 2018 was the Stock Option Plan.

INCENTIVE AWARD PLANS – VALUE VESTED OR EARNED DURING THE FISCAL YEAR ENDED MARCH 31, 2018		
Name of Executive Officer	Option-Based Awards – Value Vested During Fiscal 2016 (CDN\$)	Non-Equity Incentive Plan Compensation – Value Earned During Fiscal 2016 (CDN\$)
Jing Peng	Nil	Nil

Henry Kloepper	Nil	Nil
Alex Dementev.	Nil	Nil
Kyle Appleby	Nil	Nil
John Zorbas	Nil	Nil

Securities authorized for issuance under equity compensation plans

Set out below is information as of March 31, 2018 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance. The only incentive award plan of the Corporation during fiscal 2018 was the Stock Option Plan.

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights as at March 31, 2018 (a)	Weighted average exercise price of outstanding options, warrants and rights as at March 31, 2018 (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) as at March 31, 2018 (c)
Stock Option Plan	4,200,000	0.1	73,329,740

Employment Contracts

The Corporation has a consulting agreement for an indefinite term with Alegana Enterprises Ltd. (“Alegana”), through which Mr. John Zorbas provides his services to the Corporation. Alegana is controlled by Mr. John Zorbas. The consulting fees paid to Alegana are for the services Mr. Zorbas provides as President, which includes, but is not limited to, managing the capital structure and current investment portfolio of the Corporation. In accordance with the consulting agreement, Alegana is to receive \$220,000 per year for the services provided to the Corporation by John Zorbas. Alegana may receive, at the sole discretion of the board of directors, a performance bonus of up to 400% of the annual consulting fee payable by the Corporation to Alegana. Upon termination of Alegana by the Corporation without cause or termination following a change of control, the Corporation is obligated to pay Alegana: (a) 1.5 times Alegana’s annual consulting fee; and (b) an amount equal to 1.5 times the amount of all bonuses John Zorbas received for the most recent calendar year ended prior to the termination date or 2 times the amount of Alegana’s annual consulting fee should John Zorbas not have received a bonus for the most recent calendar year ended prior to the termination date. Upon termination of Alegana under any other circumstances, the Corporation is not obligated to pay Alegana any penalty.

The Corporation does not have a written consulting agreement or employment agreement with any other Named Executive.

Summary of Stock Option Plan

The shareholders of the Corporation approved the Corporation's incentive stock option plan (the "Option Plan") on June 26, 2007 and re-confirmed such approval on June 18, 2008, June 30, 2009, June 23 2010, June 24, 2011, September 28, 2012, July 24, 2014 and January 18, 2018. The number of Common Shares reserved for issuance under the Option Plan may not exceed 10% of the total number of Common Shares issued and outstanding from time to time. As of March 31, 2018, an aggregate of 775,297,395 Common Shares were issued and outstanding. As at March 31, 2018, there were 4,200,000 stock options outstanding under the Option Plan and 4,200,000 stock options remained eligible for issuance under the Option Plan.

The purpose of the Option Plan is to attract, retain and motivate persons as key service providers to the Corporation and to advance the interests of the Corporation by providing such persons with the opportunity, through share options, to acquire a proprietary interest in the Corporation and benefit from its growth. The options are non-assignable and may be granted for a term not exceeding five years.

Options may be granted under the Option Plan only to directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time. The number of Common Shares reserved for issue to any one person pursuant to the Option Plan within any one year period may not exceed 5% of the issued and outstanding Common Shares. The maximum number of Common Shares which may be reserved for issuance to insiders under the Option Plan, any other employee stock option plans or options for services is 10% of the aggregate number of issued and outstanding Common Shares at the date of grant (on a non-diluted basis). The maximum number of Common Shares which may be issued to insiders under the Option Plan, together with any previously established or proposed share compensation arrangements, within any one year period, is 10% of the aggregate number of issued and outstanding Common Shares. The maximum number of Common Shares which may be issued to any insider and his or her associates under the Option Plan, together with any previously established or proposed share compensation arrangements, within any one year period, is 5% of the aggregate number of issued and outstanding Common Shares at the date of grant (on a non-diluted basis). The maximum number of Common Shares which may be granted to any consultant under the Option Plan, any other employee stock option plans or options for services, within any one year period, is 2% of the aggregate number of issued and outstanding Common Shares at the date of grant (on a non-diluted basis). The maximum number of Common Shares which may be granted to any "investor relations person" under the Option Plan, any other employee stock option plans or options for services, within any one year period, is 2% of the aggregate number of issued and outstanding Common Shares at the date of grant (on a non-diluted basis).

The exercise price of options issued may not be less than the market value of the Common Shares at the time the option is granted, subject to any discounts permitted by applicable legislative and regulatory requirements.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS TO THE CORPORATION

No individual who is, or previously was, a director, executive officer, employee, proposed nominee as a director of the Corporation, or any of its subsidiaries, or any of their associates, is indebted to the Corporation or any subsidiary of the Corporation as of the date of this Circular, or has indebtedness owing to another entity that is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries, or was so indebted at any time since the beginning of the financial year of the Corporation ended March 31, 2018.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein and as set forth below, no informed person of the Corporation (within the meaning of applicable securities laws), no nominee for election as a director and no associate or affiliate thereof, has or has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last completed financial year, or in any proposed transaction, which has materially affected or would materially affect the Corporation or any of its subsidiaries.

AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 (“**NI 52-110**”) requires the Corporation to disclose annually in its management information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

Audit Committee Charter

The Corporation’s audit committee is governed by an audit committee charter, the text of which is attached as Schedule “A” to this Information Circular.

Composition of the Audit Committee

The Corporation’s audit committee is comprised of Henry Klopper, Alex Dementev and Kyle Appleby. Other than Mr. Klopper and Mr. Zorbas, all of the directors are considered to be “independent” within the mean of NI 52-110.

In order for directors to be appointed to the audit committee, they must demonstrate that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements. In this regard, the board has determined that each member of the audit committee meets this criteria as each of Messrs. Klopper, Appleby and Dementev are familiar with accounting principles, financial statements and financial reporting requirements as a result of their experience and education as set forth below.

Alexander Dementev

Age 56 – Mr. Dementev is an independent geophysics researcher. He provides technological solutions and services to companies in various industries including manufacturing, distribution and mining. Mr. Dementev holds equivalent of Master Degree in Applied Physics from Rostov State University and Post Graduated Degree in Analytical Chemistry from the Institute of Analytical Chemistry and Geo-Chemistry (both in Russian Federation). Mr. Dementev is currently the Chief Technology Officer for Klimov Design Bureau, leading several international hydrocarbons conversion projects. Mr. Dementev lives in Toronto, Canada.

Kyle Appleby

Age 42 - Mr. Appleby is a member of the Chartered Public Accountants of Canada and Ontario, and President and Chief Executive of CFO Advantage Inc., a company that provides CFO, and other financial accounting and compliance services to companies in various industries including junior mining, manufacturing and distribution. Mr. Appleby is currently CFO of a number of reporting issuers in Canada. Mr. Appleby lives in Toronto, Canada.

Henry Klopper

Chief Executive Officer and Director – *Age 64* - Mr. Klopper, has worked in the mining industry, investment banking and structured finance throughout a 30 year career. He has a rounded knowledge of the capital markets, strategic growth and investments. In the past, Mr. Klopper has worked in executive positions with JP Morgan, Citibank, Bank of America, and North American Trust in Canada, the US and Europe and more recently was the CEO of Frontier Lithium Inc. Currently, Mr. Klopper is a director of a number of public companies listed in Canada and the U.S., which are involved in consumer finance, merchant banking, manufacturing and distribution. His responsibilities range from lead independent director to chairing audit/compensation committees. Notable directorships include: Award Capital (Spot Coffee - food and beverage), National Construction, Mogul Energy (Oil and Gas), DealNet Capital

(Consumer finance/merchant banking), Gilla Inc. (E cigarette manufacturer/distribution), Sofit Mobile (App. and technology incubator), and Pacific Software Inc. (Metal Fabrication).

Pre-Approval Policies and Procedures

In the event the Corporation wishes to retain the services of the Corporation’s external auditors for tax compliance, tax advice or tax planning, the CFO of the Corporation shall consult with the chair of the audit committee, who shall have the authority to approve or disapprove on behalf of the audit committee, such non-audit services. All other permissible non-audit services shall be approved or disapproved by the audit committee as a whole.

Audit Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Corporation for professional services rendered to the Corporation during the fiscal years ended March 31, 2018 and March 31, 2017 for audit and non-audit related services:

Type of Work	Year Ended March 31, 2017	Year Ended March 31, 2016
Audit fees	50,000	30,000
Audit-related fees	3,500	3,500
Tax advisory fees	Nil	nil
All other fees	2,345	2,345
Total	55,845	35,845

Exemption

The Corporation is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Corporation, as a “venture issuer”, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

CORPORATE GOVERNANCE

National Policy 58-201 of the Canadian Securities Administrators has set out a series of guidelines for effective corporate governance (the “**Guidelines**”). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 (“**NI 58-101**”) of the Canadian Securities Administrators requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

Set out below is a description of the Corporation’s approach to corporate governance in relation to the Guidelines.

The Board of Directors

NI 58-101 defines an “independent” director as a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is, in turn, defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgment. The Board is currently comprised of four members, one of which the Board has determined are “independent” within the meaning of NI 58-101.

Henry Kloepper and John Zorbas are not considered to be independent as a result of their respective roles as officers of the Corporation.

Messrs Appleby and Dementev are considered independent directors since they are independent of management and free from any material relationship with the Corporation. The basis for this determination is that such persons have not worked for the Corporation, received remuneration from the Corporation other than standard director’s compensation

or had material contracts with or material interests in the Corporation which could interfere with his ability to act with a view to the best interests of the Corporation.

The Board believes that it functions independently of management. To enhance its ability to act independent of management, the Board may meet in the absence of members of management and the non-independent directors or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate. The Board did not hold any meetings of the independent directors in the absence of members of management and the non-independent director during the fiscal year ended March 31, 2018.

Directorships

Certain of the directors of the Corporation are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

<u>Name of director</u>	<u>Other reporting issuer (or equivalent in a foreign jurisdiction)</u>
Henry Kloeppe	Unique Broadband Systems Inc. , Gilla Inc, LiveReel Media Inc., Soft Mobile Inc Kure Technologie, Altona Energy PLC.
Kyle Appleby	URU Metals Ltd.
John Zorbas	Management Resource Solutions Plc. URU Metals Ltd
Alexander Dementev	N/A

Orientation and Continuing Education

While the Corporation currently has no formal orientation and education program for new Board members, sufficient information (such as recent annual reports, prospectuses, proxy solicitation materials, technical reports and various other operating, property and budget reports) is provided to any new Board member to ensure that new directors are familiarized with the Corporation's business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management on a regular basis. The Corporation also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Corporation.

Ethical Business Conduct

The Board monitors the ethical conduct of the Corporation and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges.

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Directors

The full Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Corporation's development and given the small size of the Board.

While there are no specific criteria for Board membership, the Corporation attempts to attract and maintain directors with business knowledge and a particular knowledge of mineral exploration and development or other areas (such as finance) which provide knowledge which would assist in guiding the officers of the Corporation. As such, nominations

tend to be the result of recruitment efforts by management of the Corporation and discussions among the directors prior to the consideration of the Board as a whole.

Compensation

The full Board performs the functions of a compensation committee. The Board believes that this is a practical approach at this stage of the Corporation’s development and given the small size of the Board.

The Board as a whole reviews on an annual basis the adequacy and form of compensation of directors to ensure that the compensation of the Board reflects the responsibilities, time commitments, and risks involved in being a responsible director. The directors of the Corporation receive annual fees for their service as directors, as well as additional fees for each meeting attended. All directors are also eligible to participate in the Option Plan. See “Compensation of Directors”.

In addition, the Board as a whole will review the compensation paid to the President and CEO of the Corporation and any other key executive officers of the Corporation. In reviewing such compensation, the Board evaluates the achievements of the executive officer against corporate goals and objectives, as well as overall corporate performance.

Other Board Committees

The Board currently has no committees other than the audit and compensation committees.

Assessments

The Board assesses, on an annual basis, the contributions of the Board as a whole and each of the individual directors, in order to determine whether each is functioning effectively.

**INTEREST OF CERTAIN PERSONS OR COMPANIES
IN MATTERS TO BE ACTED UPON**

Other than as disclosed in this Circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of the last completed fiscal year or any associate of any such director or executive officer has any material interest, director or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

PARTICULARS OF MATTERS TO BE ACTED UPON

2. Election of Directors

The articles of the Corporation provide that the board may consist of a minimum of one and a maximum of 20 directors, to be elected annually. At the Meeting, shareholders will be asked to elect three directors (the “Nominees”). The following table provides the names of the Nominees and information concerning them. The persons in the enclosed form of proxy intend to vote for the election of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director. Each director of the Corporation holds office until his successor is elected at the next annual meeting of the Corporation, or any adjournment thereof, or until his successor is elected or appointed unless his office is earlier vacated in accordance with the by-laws of the Corporation.

Name and State/Province of Residence	Position	Principal Occupation	Director Since	Number of Voting Securities Beneficially Held, Directed or Controlled ⁽¹⁾
Alexander Dementev Toronto, Ontario	Director	Freelance Geophysics Researcher	October 2017	Nil

Henry Kloeppe Toronto, Ontario	Chief Executive Officer and Director	Chief Executive Officer of the Corporation	December 2013	Nil
Kyle Appleby Toronto, Ontario	Director	Chartered Public Account providing CFO services to public and private companies.	July 2014	100,000
John Zorbas Toronto, Ontario	Director and President	Entrepreneur	January 2018	2,591,500

Note:

- (1) The information as to voting securities beneficially owned or over which the Nominees exercise control or direction not being within the knowledge of the Corporation has been furnished by the respective Nominees individually.

IF ANY OF THE NOMINEES IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

Cease Trade Orders or Bankruptcies

No Nominee is, as of the date of this Information Circular, or has been, within the 10 years prior to the date of this Information Circular, a director or executive officer of any corporation that, while that person was acting in that capacity: (a) was the subject of a cease trade or similar order or an order that denied the corporation access to any exemption under securities legislation for a period of more than 30 consecutive days; (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the corporation being the subject of a cease trade or similar order or an order that denied the corporation access to any exemption under securities legislation for a period of more than 30 consecutive days; or (c) within a year of that person ceasing to act in that capacity, became bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of said corporation.

Personal Bankruptcies

No Nominee has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties and Sanctions

No Nominee has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder in deciding whether to vote for a Nominee.

Conflicts of Interest

The directors are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests that they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Corporation's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Corporation, its promoters, directors and officers or other members of management of the Corporation or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

3. **Appointment of Auditors**

Unless such authority is withheld, the persons named in the enclosed form of proxy intend to vote for the appointment of MNP LLP as auditors of the Corporation for the 2018/2019 fiscal year, and to authorize the directors to fix their remuneration..

4. **Confirmation of Stock Option Plan**

The shareholders of the Corporation approved the Corporation's incentive stock option plan (the "Option Plan") on June 26, 2007 and re-confirmed such approval on June 18, 2008, June 30, 2009, June 23 2010, June 24, 2011, September 28, 2013, July 24, 2014 and December 2016. The number of Common Shares reserved for issuance under the Option Plan may not exceed 10% of the total number of Common Shares issued and outstanding from time to time. As at the date hereof, an aggregate of 775,297,395 Common Shares were issued and outstanding. As at the date hereof, there are 4,200,000 outstanding stock options under the Option Plan and 73,329,740 stock options remained eligible for issuance under the Option Plan.

The purpose of the Option Plan is to attract, retain and motivate persons as key service providers to the Corporation and to advance the interests of the Corporation by providing such persons with the opportunity, through share options, to acquire a proprietary interest in the Corporation and benefit from its growth. The options are non-assignable and may be granted for a term not exceeding five years.

Options may be granted under the Option Plan only to directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time. The number of Common Shares reserved for issue to any one person pursuant to the Option Plan within any one year period may not exceed 5% of the issued and outstanding Common Shares. The maximum number of Common Shares which may be reserved for issuance to insiders under the Option Plan, any other employee stock option plans or options for services is 10% of the aggregate number of issued and outstanding Common Shares at the date of grant (on a non-diluted basis). The maximum number of Common Shares which may be issued to insiders under the Option Plan, together with any previously established or proposed share compensation arrangements, within any one year period, is 10% of the aggregate number of issued and outstanding Common Shares. The maximum number of Common Shares which may be issued to any insider and his or her associates under the Option Plan, together with any previously established or proposed share compensation arrangements, within any one year period, is 5% of the aggregate number of issued and outstanding Common Shares at the date of grant (on a non-diluted basis). The maximum number of Common Shares which may be granted to any consultant under the Option Plan, any other employee stock option plans or options for services, within any one year period, is 2% of the aggregate number of issued and outstanding Common Shares at the date of grant (on a non-diluted basis). The maximum number of Common Shares which may be granted to any "investor relations person" under the Option Plan, any other employee stock option plans or options for services, within any one year period, is 2% of the aggregate number of issued and outstanding Common Shares at the date of grant (on a non-diluted basis).

The exercise price of options issued may not be less than the market value of the Common Shares at the time the option is granted, subject to any discounts permitted by applicable legislative and regulatory requirements.

Shareholders may obtain a copy of the Option Plan by making a request to the Corporation in writing 4 King Street West, Suite 401, Toronto, Ontario M5H 1B9.

“**RESOLVED THAT** the rolling Stock Option Plan of the Corporation be re-approved and confirmed.”.

In order to be effective, the resolution must be passed by a majority of the votes of shareholders voting on it at the Meeting.

THE MANAGEMENT REPRESENTATIVES NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND TO VOTE IN FAVOUR OF THE FOREGOING RESOLUTION OF RE-APPROVE AND CONFIRM THE OPTION PLAN, UNLESS A SHAREHOLDER SPECIFIES IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE VOTED AGAINST THE RESOLUTION TO RE-APPROVE AND CONFIRM THE OPTION PLAN.

5. Proposed Change of Business

At the Meeting, the shareholders of the Corporation will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, substantially in the form of the resolution set forth below, approving the Proposed COB of the Corporation from an investment and merchant banking company to a company solely focused on the operation, ownership and investment of cannabis assets involved in cultivation, processing, manufacturing, distribution and retail sales. In accordance with the rules and policies of the CSE, the Proposed COB is considered a “Fundamental Change” and shareholder approval is required for the Proposed COB to become effective. The Proposed COB Resolution must be approved by more than 50% of the shareholders voting in person or by proxy at the Meeting.

The following discussion considers the current business of the Corporation and outlines the proposed business of the Corporation assuming completion of the Proposed COB. For further information regarding the Corporation’s proposed business upon completion of the Proposed COB, see the disclosure under the heading “*Description of the Corporation’s Business Following the Proposed COB*”.

Current Business of the Corporation

Captor is a diversified investment and merchant banking firm focused on the mining, technology and industrial sectors. The Corporation takes advantage of special situations and merchant banking opportunities, as such opportunities arise, and makes investments in other sectors which the Corporation identifies from time to time as offering particular value. The business of the Corporation includes acquiring and holding securities for both long-term capital appreciation and shorter term gains.

Background to the Proposed COB

The majority of Captor’s investments (by dollar value) were made in cannabis companies operating in the United States. Management believes that there are continued opportunities in the growing cannabis industry in the United States and believes that Captor is poised to acquire high quality and operating cannabis assets involved in cultivation, processing, manufacturing, distribution and retail sales.

As a result, the directors and management of the Corporation believe it is in the best of interests of Captor and its shareholders to focus its business solely on the operating, ownership and investment in cannabis assets. The Board believes that its network of business contacts, the depth of experience of its management team and its overall entrepreneurial approach will enable it to identify and capitalize on opportunities in the cannabis industry. There will be no specific transaction or acquisition completed in connection with the Proposed COB.

If shareholders approve the Proposed COB, the Corporation’s primary focus will be to seek returns through investing in, owning and operating cannabis assets and companies operating in the cannabis industry in the areas of cultivation, processing, manufacturing, distribution and retail sales. Captor intends to divest itself of all non-cannabis assets over the next 12 month period and in a manner that maximizes shareholder value.

Proposed Business of the Corporation

If shareholders approve Proposed COB, the Corporation intends to change its business focus from a diversified investment and merchant banking company and focus solely on cannabis. Captor has made significant investments into the cannabis industry and with the current changes in laws regarding the medical and adult use of cannabis. Captor is continuing to see great opportunities to invest in the sector, use its operational staff in California to increase profitability of the acquisition targets thereby increasing shareholder value.

The Corporation owns all of the shares of I-5 Holdings Ltd., a Canadian company focused on the US recreational and medicinal cannabis industries, with the goal of becoming a leading consumer-driven organization focused on delivering the highest quality cannabis products and experiences. With assets covering all three key verticals - cannabis production and processing, as well as a retail dispensary network - I-5 Holdings is uniquely positioned to benefit from the ongoing increase in legally available cannabis.

The company currently has operations in Washington and California. In California, I-5 Holdings controls two dispensaries that are licensed for recreational retail sales of cannabis products located in West Hollywood and Santa Ana, respectively. Each of these dispensaries are branded as MedMen stores and are both operated and managed by MedMen under separate management contracts.

In Washington state, I-5 has leased two cannabis cultivation facilities that are both equipped to produce high-grade cannabis. I-5 is in the process of sub-leasing these facilities to holders of cannabis cultivation licences. I-5 is also in the process of negotiating licence agreements with the sub-lessee cultivators for the use of certain intellectual property such as operational procedures and cultivation processes and methods in exchange for licence fees based upon the amount of cannabis produced at I-5's facilities.

Going forward, the Corporation will continue to look for and identify cannabis assets and investments to acquire. The investment objective of the Corporation will be to provide shareholders with long-term capital growth by acquiring and investing in a portfolio of undervalued cannabis assets in the retail and cultivation space primarily.

Investment Strategy

The Corporation expects that its investment portfolio will contain retail and cultivation assets in the cannabis industry in the United States of America. Due to the fragmentation of the industry, and the infancy of the industry, there are significant opportunities to roll up cannabis businesses at under market rates in a high growth area. The goal is to create an industry-leading lifestyle brand of cannabis retail stores and cannabis goods and related products, building considerable consumer appeal, brand awareness and resonance and in doing so, driving significant business growth, consumer demand and product differentiation. The Corporation also intends to find investments to build cultivation operations, distribution centre(s), packaged goods manufacturing logistics and supply chain to support retail stores and product lines. This allows the Corporation to create best-in-class, best regarded, vertically integrated cannabis business in USA.

Borrowing

The corporation may borrow funds, which may be used for various purposes, including making strategic investments. Such borrowings shall never exceed 500% of the net assets of the Corporation. The Corporation expects that the terms, conditions, interest rates, fees and expenses of and under such borrowings will be typical of borrowings of this nature.

Nature of Investments

The Corporation primarily expects to be an active investor and operator. The Corporation intends to use its operational, financial and management expertise to add or unlock value. The Corporation may also structure an investment to assume a controlling interest in a company.

Investment Evaluation Process

It is anticipated that the Corporation's investments will be carried out according to an opportunistic and disciplined process to maximize returns while minimizing risk, taking advantage of investment opportunities identified by the Corporation's Board, the officers of the Corporation and operational staff and the members of an investment

committee (the “Investment Committee”) established by the corporation. The corporation will use a top-down and bottom-up investment approach to develop a macro view of any individual sector, build a position consistent with such view within the sector.

The Corporation intends to establish the Investment Committee to monitor its investments on an ongoing basis and to review the status of its investments. The Investment Committee will be subject to the direction of the Board, and will consist of at least three members. It is expected that such members will include directors and/or officers of the Corporation, but the Corporation may utilize, or appoint to the Investment Committee, qualified independent financial or technical consultants approved by the Board to assist the Investment Committee in making its investment decisions. The members of the Investment Committee will be appointed by the Board, and members of the Investment Committee may be removed or replaced by the Board. It is currently contemplated that the initial Investment Committee will include each of John Zorbas and Alex Dementev.

All investments will be submitted to the Board for final approval. The investment Committee will select all investments for submission to the Board and monitor the Corporation’s investment portfolio on an ongoing basis, and will be subject to the direction of the Board. One member of the Investment Committee may be designed and authorized to handle day-to-day trading decisions in keeping with the directions of the Board and the Investment Committee.

Expenses Following Completion of the Proposed COB

The Corporation expects that its fixed costs after completion of the Proposed COB (including, but not limited to, salaries and bonuses, management fees, consulting fees, professional fees, rent, investor relations fees, audit fees, transfer agent fees, insurance and stock exchange fees) will not exceed \$100,000 plus applicable taxes per month. As the Corporation’s portfolio of cannabis assets increase, the costs of the Corporation’s operations will also increase and expenses of the Corporation may exceed \$100,000 per month. This amount excludes amounts required to acquire cannabis assets and the initial infusion of capital that may be required to operate these assets. See disclosure under the heading “Description of the Corporation’s Business Following the Proposed COB – Available Funds and Principal Purposes” for further information.

Available Funds and Principal Purposes

As at the date hereof the Corporation currently has approximately \$40 million in cash on hand and cash equivalents, which management believes is a sufficient amount of working capital required for the Corporation’s operations for the next 18 months. The Corporation may seek to raise additional funds to acquire additional cannabis assets.

Shareholder Approval

In accordance with the rules and policies of the CSE, shareholders must approve the Proposed COB by passing the Proposed COB Resolution in order for the Proposed COB to become effective. To be approved, the Proposed COB Resolution requires the affirmative vote of at least a majority of the votes cast by shareholders at the Meeting, whether in person or by proxy. Below is the full text of the Proposed COB Resolution that shareholders are being asked to vote on.

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (1) The Corporation be, and is hereby, authorized and directed to proceed with the Proposed COB of the Corporation from an investment company to a company solely focused on the operation, ownership and investment in cannabis assets, as more particularly described in the Circular;
- (2) The Corporation be and it is hereby authorized to prepare and file any application for orders, consents and approvals and any other documents reasonably considered necessary under applicable laws in connection with the Proposed COB;
- (3) Notwithstanding that this ordinary resolution has been duly passed by the shareholders of the Corporation, the Board may revoke this resolution at any time and determine not to proceed with the Proposed COB as

contemplated hereby if such revocation is considered desirable by the Board without further approval of the shareholders of the Corporation; and

- (4) Any one director or officer of the Corporation be, and is hereby, authorized and directed to do all such acts and things and to execute and deliver all agreements, instruments and documents as such director or officer shall deem necessary to give full force and effect to the foregoing resolutions.”

Recommendation of the Board

THE BOARD, AFTER CAREFUL CONSIDERATION OF A NUMBER OF FACTORS, HAS DETERMINED UNANIMOUSLY THAT THE PROPOSED COB IS IN THE BEST INTERESTS OF THE CORPORATION AND ITS SHAREHOLDERS. THE BOARD HAS UNANIMOUSLY DETERMINED TO RECOMMEND TO SHAREHOLDERS OF THE CORPORATION THAT THEY VOTE IN FAVOUR OF THE PROPOSED COB. THE FULL TEXT OF THE RESOLUTION APPROVING THE COB IS SET OUT BELOW.

THE MANAGEMENT REPRESENTATIVES NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND TO VOTE IN FAVOUR OF THE PROPOSED COB RESOLUTION, UNLESS A SHAREHOLDER SPECIFIES IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE VOTED AGAINST THE PROPOSED COB RESOLUTION.

DETAILED INFORMATION REGARDING THE CORPORATION

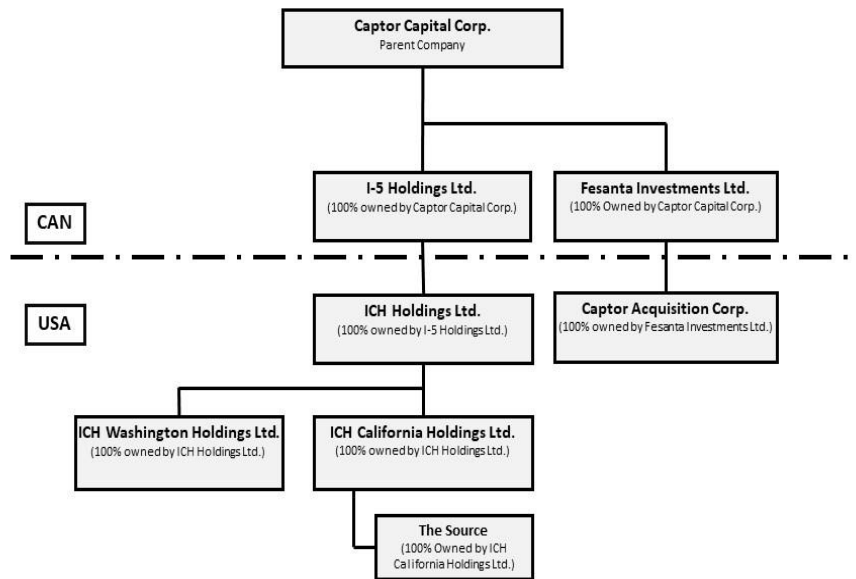
Name and Incorporation

The Corporation was incorporated under the *Business Corporations Act* (Ontario) by articles of incorporation on September 26, 2003. On March 19, 2004 the Corporation’s outstanding common shares became publicly listed on the TSXV under the symbol “NWT”. Subsequently, the outstanding common shares of the Corporation were listed on the OTCBB under the symbol “NWURF” and on the Frankfurt Exchange.

The Corporation’s registered office and its principal place of business is located at 4 King Street West, Suite 401, Toronto, Ontario, M5H 1B9.

Inter-Corporate Relationships

Below is an organizational chart showing Captor and each of its subsidiaries.



Corporate History

The Corporation was a junior mineral exploration company that held interests, directly and indirectly, in various mineral properties. The Corporation has, among other investments in several other publicly traded junior mining companies through which it has exposure to several prospective properties. The properties range from exploration stage to producing companies. The Corporation did not generate significant revenues from its mining operations and determined its properties may not have contained mineral reserves that were economically recoverable. As a result, the Corporation switched its focus from being an exploration company to a diversified investment and merchant banking company in October of 2017. At that time, the Corporation also delisted from the TSX Venture Exchange and listed its common shares of trading on the Canadian Securities Exchange.

While the Corporation has made investments in various industries, its main investment focus was in the US cannabis market. On March 29th 2018, the Corporation acquired 2.3% of the outstanding equity of MedMen Enterprises, LLC (“MedMen”) for USD\$23 million. MedMen is a fully integrated seed to sale cannabis company operating in California, Nevada and New York. The Corporation also acquired all the issued and outstanding shares of I-5 Holdings Ltd. (I-5) through the issuance of 171,868,364 common shares of the Corporation. I-5 owns cultivation operations in Washington State and also owns two adult-use cannabis dispensaries, one in West Hollywood, CA and the other in Santa Ana, CA/ Each of these dispensaries are MedMen branded and each are managed by MedMen under a management contract.

Management believes that there are continued opportunities in the growing cannabis industry in the United States and believes that Captor is poised to acquire high quality and operating cannabis assets involved in cultivation, processing, manufacturing, distribution and retail sales.

As a result, the directors and management of the Corporation believe it is in the best of interests of Captor and its shareholders to focus its business solely on the operating, ownership and investment in cannabis assets. The Board believes that its network of business contacts, the depth of experience of its management team and its overall entrepreneurial approach will enable it to identify and capitalize on opportunities in the cannabis industry. There will be no specific transaction or acquisition completed in connection with the Proposed COB.

Selected Consolidated Financial Information and Management's Discussion and Analysis

Selected Consolidated Financial Information

The following information is summarized from the audited financial statements of the Corporation for the fiscal years ended March 31, 2017 and 2016 and should be read in conjunction with the annual audited financial statements for the financial years ended March 31, 2016 and 2017 and the annual MD&A for each these years, all of which can be found at www.sedar.com at the Corporation's profile.

Annual Financial Information

	Year ended March 31, 2017	Year ended March 31, 2016
Total Revenues	Nil	Nil
Net Income (loss)	8,311,787	(2,136,892)
Total Assets	7,657,951	2,353,792
Total Liabilities	1,444,688	4,452,316
Cash dividends declared per share	Nil	Nil

Management's Discussion and Analysis

Management's discussion and analysis of the financial position and results of operations of the Corporation for the years ended March 31, 2017 and 2016 can be found at the Corporation's profile at www.sedar.com. Such management's discussion and analysis of the financial position and results of operations should be read in conjunction with the Corporation's annual financial statements for the years ended March 31, 2017 and 2016, which may also be found at the Corporation's profile at www.sedar.com.

NON-ARM'S LENGTH PARTY TRANSACTIONS

Except as disclosed below, no informed person, no proposed nominee for election as a director of the Corporation, no officer and no associate or affiliate of any such informed person, officer or proposed nominee, has any material interest, direct or indirect, in any material transaction that the Corporation was a party to in the previous five (5) years or in any proposed transaction, which, in either case, has materially affected or will materially affect the Corporation.

During the previous five (5) years, the Corporation was involved in the following related party transactions:

- The Corporation loaned an aggregate of \$201,000 to Mr. John Zorbas, a director of the Corporation. At the time of the loan, Mr. Zorbas was a consultant to the Corporation and the loan was used by Mr. Zorbas to offset the expenses of his re-location to Vietnam in order to oversee and manage the Corporation's assets in the country. Mr. Zorbas was repaying the loan through annual payments of \$12,000, however, the Corporation has forgiven the balance owing.
- The Corporation acquired shares in the capital of Hana Mining Ltd. and New Hana Copper Mining through the open market. Mr. Anton Esterhuizen, a former director of the Corporation, was an officer and/or director of each of Hana Mining Ltd. and New Hana Copper Mining. Mr. Esterhuizen did not receive any share and/or cash with respect to the acquisition of such securities.

DESCRIPTION OF THE CORPORATION'S BUSINESS FOLLOWING THE PROPOSED COB

Narrative Description of the Business

If shareholders approve Proposed COB, the Corporation intends to change its business focus from a diversified investment and merchant banking company and focus solely on cannabis. Captor has made significant investments into the cannabis industry and with the current changes in laws regarding the medical and adult use of cannabis. Captor is continuing to see great opportunities to invest in the sector, use its operational staff in California to increase profitability of the acquisition targets thereby increasing shareholder value.

The Corporation's Cannabis Holdings

MM Enterprises USA, LLC (“MedMen”)

On March 29th, 2018, Captor through its wholly owned subsidiary, Captor Acquisition Corp. acquired 2.3% of the total issued and outstanding equity of MedMen for a purchase price of US\$23 million. MedMen is a leading cannabis company in the United States with multiple assets and operations in California, Nevada and New York. Combined, MedMen has represented to the Corporation that these key strategic states account for nearly half of North America's addressable legal cannabis market. MedMen owns and operates licensed cannabis facilities in cultivation, manufacturing and retail, and is the most recognized brand in the emerging marijuana industry.

On May 28, 2018 MedMen completed a reverse takeover transaction (the “**RTO**”) with Ladera Ventures Corp to form MedMen Enterprises Inc. (“**MedMen PubCo**”) Pursuant to the RTO, the Captor Acquisition Corp. received 7,991,251 Class B Common Shares of a wholly owned subsidiary of MedMen PubCo, MM Can USA, Inc. (“**PC Corp**”). Pursuant to the articles of incorporation of PC Corp, the Corporation may, from time to time, exchange its Class B Common Shares of PC Corp. for Class B Subordinate Voting Shares of Issuer on a one-for-one basis (the “**Subordinate Voting Shares**”). The Subordinate Voting Shares are listed for trading on the Canadian Securities Exchange.

To Captor's knowledge, on the date the RTO was completed its Class B Common Shares of PC Corp represented ownership and control of approximately 1.7% of the Subordinate Voting Shares based on 464,167,789 Subordinate Voting Shares issued and outstanding on a fully diluted basis (which assumes the exchange of all outstanding Class B Common Shares for Subordinate Voting Shares and the exercise of additional dilutive securities). However, on the date the RTO was completed and prior to the exchange of any of the Class B Common Shares for Subordinate Voting Shares, to Captor's knowledge, the Acquired Shares represented ownership and control of approximately 22% of the Issuer's issued and outstanding Subordinate Voting Shares on the basis of 28,775,175 issued and outstanding Subordinate Voting Shares on a partially-diluted basis.

I-5 Holdings Ltd. (“I-5”)

On December 14, 2017, the Corporation acquired 12,500,000 common shares of I-5 for an aggregate purchase price of \$5 million. As part of this transaction, I-5 granted the Corporation an option acquire an additional number of common shares of I-5 equal to 29 percent of the issued and outstanding common shares of I-5 at a price of \$0.60 per common share of I-5. The option was never exercised, however, on January 5, 2018, the Corporation entered into a non-binding letter of intent to acquire all of the outstanding securities of I-5, other than the shares of I-5 owned by the Corporation. On February 16, 2018 the Corporation and I-5 entered into a merger agreement (the “**Merger Agreement**”) pursuant to which the Corporation agreed to acquire all of the issued and outstanding shares of I-5 at a price of \$0.52 per share. In accordance with the terms of the Merger Agreement, each shareholder of I-5 was to receive 2.6 Common Shares at a deemed issue price of \$0.20 per Common Share for each share held of I-5. The Corporation issued a total of 171,868,364 Common Shares as consideration for all of the issued and outstanding shares of I-5 at an aggregate deemed value of approximately \$34,373,673. Additionally under the terms of the Merger Agreement, common share purchase warrants of I-5 exercisable in to 8,503,089 shares of I-5 at an exercise price of \$0.65 became exercisable into 2,370,418 Common Shares at an exercise price of \$0.25 and other common share purchase warrants exercisable in to 1,442,650 shares of I-5 at an exercise price of \$0.80 became exercisable into 554,865 Common Shares at an exercise price of \$0.31.

The transaction closed in escrow on February 23, 2018, pending the satisfaction of certain conditions precedent. The Merger Agreement was amended on May 29, 2018 and the closing was released from escrow on the same day.

I-5 is a corporation existing under the laws of British Columbia that owns and operates cannabis assets in Washington state and California through its wholly owned Delaware subsidiary, ICH Holdings Ltd. (“**ICH Holdings**”).

California

In California, I-5 holds through ICH California Holdings Ltd. (“**ICH California**”), a wholly owned subsidiary of ICH Holdings, an interest in and economic rights to two retail cannabis dispensaries that are licensed to sell cannabis products to both medicinal and recreational consumers. Both dispensaries are located in the Los Angeles area, with

one located in West Hollywood and the other located in Santa Ana. Both dispensaries operate under the trade name “MedMen” and are branded as MedMen stores. MedMen is becoming a highly recognizable brand in the California retail cannabis market and owned by MedMen Enterprises, LLC, a California based seed to sale cannabis company operating in multiple states. Each of these dispensaries sells a broad range of cannabis products to retail consumers, including dry flower, cannabis extracts, cannabis edibles, cannabis beverages, health and beauty related products and other cannabis products.

West Hollywood Dispensary

The MedMen branded retail cannabis dispensary located in West Hollywood, California (“**West Hollywood Dispensary**”) is owned by Farmacy Collective, a California non-profit mutual benefit corporation that is owned by its members (the “**Farmacy**”). Farmacy entered into a management agreement with Manlin LLC (the “**WEHO Management Agreement**”), pursuant to which Manlin agreed to manage and operate the dispensary on behalf of Farmacy and was entitled to fees for the services provided. Manlin was also granted by the members of Farmacy the right to appoint its directors. Manlin sub-contracted the management and operation of the West Hollywood Dispensary to MedMen Management Group, LLC (“**MedMen**”) pursuant to a sub-management agreement (the “**MedMen WEHO Agreement**”) after which the store was operated under the trade name “MedMen”.

On November 17, 2017, ICH California entered into an agreement with Manlin, pursuant to which ICH California acquired Manlin’s rights under the WEHO Management Contract which was assigned to ICH California and the right to appoint the board of Farmacy for a purchase price of USD13,500,000. Additionally, Manlin assigned its rights and obligations under the MedMen WEHO Agreement to ICH California. Under the current arrangement, MedMen is responsible for the management, oversight and day to day operation of the West Hollywood dispensary, including staffing, the purchase of inventory, regulatory compliance and marketing.

Under the terms of the MedMen WEHO Agreement, MedMen collects all proceeds from the sale of goods at the West Hollywood dispensary. Out of the proceeds received, MedMen is required to pay for the operational expenses of store such as rent, inventory, employee salaries as well as advertising and marketing. After all operational expenses have been paid, MedMen is entitled to a management fee equal to 25% of the EBITDA earned by the store and is required to turn over the remaining 75% of EBITDA to ICH California. In the event the store incurs a loss, ICH California is required to cover the loss and MedMen is not entitled to any management fees. Under the terms of the WEHO Management Agreement.

The West Hollywood dispensary operates under a temporary licence held by the Collective, which is valid until July 1, 2018. An application for a permanent license has been made and is expected to be received before the temporary licence expires. I-5 is in the process of working to convert the Collective from a non-profit mutual benefit corporation into a for profit corporation that will be wholly owned by ICH California.

ICH California has a lease for the West Hollywood dispensary location, which terminates on December 30, 2022 with a five year extension option to 2027.

Santa Ana

On August 11, 2017, I-5’s wholly owned subsidiary, ICH California, acquired MMOF OC Santa Ana, LLC (“**Santa Ana, LLC**”) from MedMen Opportunity Fund L.P. At the time of this acquisition, Santa Ana LLC operated and managed a retail medical cannabis dispensary located in Santa Ana, California (Orange County) (the “**Santa Ana Dispensary**”) pursuant to an administrative services agreement (“**Services Agreement**”) between Santa Ana, LLC and The Source Santa Ana (“**The Source**”). The Source was a California non-profit mutual benefit corporation that was owned by its members and held the cannabis sales licence for the Santa Ana Dispensary.

Immediately after the acquisition of Santa Ana LLC, Santa Ana LLC entered into a management agreement with MedMen under which MedMen became responsible for the management, oversight and day-to-day operation of the Santa Ana Dispensary, including staffing, purchase of inventory, regulatory compliance and marketing (the “**MedMen Santa Ana Agreement**”). Under the terms of the MedMen Santa Ana Agreement, Medmen collects all proceeds from the sale of goods at the Santa Ana Dispensary. Out of the sale proceeds received, Medmen is required to pay for the operating expenses of the Santa An Dispensary such as rent, inventory, employee salaries as well as advertising and

marketing expenses. After all expenses have been paid, Medmen is entitled to a management fee equal to 25% of the EBIDTA earned by the Santa Ana Dispensary and is required to turnover the remaining 75% of EBIDTA to Santa Ana, LLC (which is indirectly wholly owned by the Corporation.. In the event the store incurs a loss, ICH California is required to cover the loss and Medmen is not entitled to any management fees.

On December 31, 2017, Santa Ana LLC and The Source merged to continue as a for-profit Californian corporation under the name The Source Santa Ana. Following the merger, ICH California now owns all of the issued and outstanding shares of The Source

The Santa Ana Dispensary operates under a temporary license that is held by The Source and is valid until July 2018. An application for a permanent license has been made and is expected to be received before the temporary license expires..

The Source Santa has a lease for the Santa Ana Dispensary location which terminates in June, 2032

Washington

I-5's wholly owned subsidiary, ICH Holdings, owns 100% of the shares of ICH Washington Holdings Ltd ("**ICH Washington**"), which holds I-5's cannabis cultivation assets in Washington State. ICH Washington has leased two properties in Whatcom, Washington that will be used as two cannabis cultivation facilities (the "**Cultivation Facilities**").

ICH Washington holds a lease for the first of the two Cultivation Facilities (the "**Hannagan Road Facility**"), which expires on September 30, 2022. The Hannagan Road Facility can accommodate up to approximately 2,200 square feet of cultivation space. The second of the two Cultivation Facilities (the "**Guide Meridian Facility**") is leased by ICH Washington until October 31, 2018 pursuant to a sublease from the head tenant, ICH Washington is currently negotiating an extension to that lease that it expects to sign by the end of June 30,2018. The Guide Meridian Facility can accommodate approximately 5,600 square feet of cannabis cultivation space. ICH Washington has made significant capital improvements to the Cultivation Facilities to retrofit the two spaces to make them suitable for cultivating cannabis, including but not limited to improvements to the HVAC system, plumbing improvements, electrical improvements and grow room construction. Additionally, ICH Washington has equipped the Cultivation Facilities with all new equipment necessary for the cultivation of high quality cannabis, such as lighting systems, irrigation systems and racking equipment.

Due to Washington state cannabis laws and residency requirements, ICH Washington is not able to obtain a licence to cultivate cannabis. As a result, ICH Washington will sub-lease each of the Cultivation Facilities to persons that hold a valid Washington state licence to cultivate cannabis. ICH Washington will also licence certain intellectual property to the sub-lessees, which includes operating procedures and certain proprietary growing and cultivation processes, methods and techniques (the "**Licensed IP**"). Each of the sublessees will pay to ICH Washington rents for the use of the respective Cultivation Facilities. Additionally, the sublessees will pay a licence fee for the Licensed IP which will based on the amount of cannabis produced at each of the Cultivation Facilities, respectively. The terms of the sub-leases for the Cultivation Facilities and the terms of the licensing and payment for the Licensed IP is currently being negotiated. I-5 expects definitive sublease and license agreements to be entered into during the third quarter of 2018

Mainstem

I-5 made a direct equity investment in Mainstem Inc ("Mainstem"), a Seattle based company that provides packaging, soil, nutrients, and other inputs needed in the production and sale of cannabis or related agricultural goods. I-5 acquired 9.9% of issued and outstanding equity of Mainstem for \$550,000.

The Corporation's Future Focus on Cannabis

Going forward, the Corporation will continue to look for and identify cannabis assets and investments to acquire. The investment objective of the Corporation will be to provide shareholders with long-term capital growth by acquiring and investing in a portfolio of undervalued cannabis assets in the retail and cultivation space primarily.

Investment Strategy

The Corporation expects that its investment portfolio will contain retail and cultivation assets in the cannabis industry in the United States of America. Due to the fragmentation of the industry, and the infancy of the industry, there are significant opportunities to roll up cannabis businesses at under market rates in a high growth area. The goal is to create an industry-leading lifestyle brand of cannabis retail stores and cannabis goods and related products, building considerable consumer appeal, brand awareness and resonance and in doing so, driving significant business growth, consumer demand and product differentiation. The Corporation also intends to find investments to build cultivation operations, distribution centre(s), packaged goods manufacturing logistics and supply chain to support retail stores and product lines. This allows the Corporation to create best-in-class, best regarded, vertically integrated cannabis business in USA.

Borrowing

The corporation may borrow funds, which may be used for various purposes, including making strategic investments. Such borrowings shall never exceed xxx% of the net assets of the Corporation. The Corporation expects that the terms, conditions, interest rates, fees and expenses of and under such borrowings will be typical of borrowings of this nature.

Nature of Investments

The Corporation primarily expects to be an active investor and operator. The Corporation intends to use its operational, financial and management expertise to add or unlock value. The Corporation may also structure an investment to assume a controlling interest in a company.

Investment Evaluation Process

It is anticipated that the Corporation's investments will be carried out according to an opportunistic and disciplined process to maximize returns while minimizing risk, taking advantage of investment opportunities identified by the Corporation's Board, the officers of the Corporation and operational staff and the members of an investment committee (the "Investment Committee") established by the corporation. The corporation will use a top-down and bottom-up investment approach to develop a macro view of any individual sector, build a position consistent with such view within the sector.

The Corporation intends to establish the Investment Committee to monitor its investments on an ongoing basis and to review the status of its investments. The Investment Committee will be subject to the direction of the Board, and will consist of at least three members. It is expected that such members will include directors and/or officers of the Corporation, but the Corporation may utilize, or appoint to the Investment Committee, qualified independent financial or technical consultants approved by the Board to assist the Investment Committee in making its investment decisions. The members of the Investment Committee will be appointed by the Board, and members of the Investment Committee may be removed or replaced by the Board. It is currently contemplated that the initial Investment Committee will include each of John Zorbas and Alex Dementev.

All investments will be submitted to the Board for final approval. The investment Committee will select all investments for submission to the Board and monitor the Corporation's investment portfolio on an ongoing basis, and will be subject to the direction of the Board. One member of the Investment Committee may be designed and authorized to handle day-to-day trading decisions in keeping with the directions of the Board and the Investment Committee.

Directors and Management Following the Proposed COB

If the Proposed COB is approved by shareholders, there will be no change to the Board or management of the Corporation as a result of the Proposed COB.

The following table sets out the names of the officers and directors of the Corporation, all major offices and positions with the Corporation and any of its significant subsidiaries following the Proposed COB along with their principal occupation, business or employment for the five preceding years and the number of Common Shares beneficially

owned by each, directly or indirectly, or over which each exercised control or direction, as at the date hereof. The only changes to management following the Proposed COB is that Henry Kloemper will resign as CEO and John Zorbas will become President and CEO of the Corporation. Mr. Kloemper will continue as a director of the Corporation. Additionally, John MacPhail will continue as the CEO of I-5 Holdings Ltd. and will oversee and manage its operations

Name, Municipality of Residence and Position with the Corporation	Principal Occupation for Past Five Years	Period during which the Directors or Officers have served as Directors or Officers of the Corporation	Number and Percentage of Common Shares Beneficially Owned or over which Control or Direction is Exercised⁽¹⁾
Henry Kloemper (2)(3) Toronto, Ontario Chief Executive Officer and Director	Director	December 2013 – present	None
Jing Peng Toronto, Ontario Chief Financial Officer	Chief Financial Officer	March 2014 – present	None
Kyle Appleby(2)(3) Toronto, Ontario Director	Provider of CFO services to public and private companies.	August 2014 – present	None
Alexander Dementev(2)(3) Toronto, Ontario Director	Freelance Geophysics Researcher	N/A	None
John Zorbas (2) Cyprus Director and President	Entrepreneur and President and Chief Executive Officer of the Corporation	January 2018	2,591,500
John MacPhail Vancouver, British Columbia CEO of I-5 Holdings Ltd.	CEO of I-5 Holdings Ltd.	January 2017	6,312,500

Notes:

- (1) Information as to the number of Common Shares beneficially owned or over which direction is exercised has been provided by the respective individuals named therein. The percentage figures reflects the number of Common Shares to be held assuming completion of the Proposed COB.
- (2) Member of the Audit Committee of the Corporation.
- (3) Proposed member of the Investment Committee assuming approval of the Proposed COB.

The experience of management of the Corporation will be instrumental to the Corporation in providing it with a reasonable opportunity to achieve its stated business objectives pursuant to the Proposed COB. The following is a brief description of each the officers and directors of the Corporation:

John Zorbas, Age 47 – Mr. John Zorbas is a resource entrepreneur with a proven track record in the metals exploration and development industry. He has held senior advisory positions in various facets of business including operations, marketing, sales, strategic planning and structured finance. Mr. Zorbas has been with the Company since June 2008. He also serves as URU Metals Ltd (Captor Capital investment) Chief Executive Officer since 2 June 2014. He was appointed Chairman of Management Resource Solutions PLC in April 2017. He also served as the President of MGM Productions Group Inc., as well as Director of both ZorCorp Capital Holdings and Starline Capital Holdings

Infrastructure Fund. He served as the Chief Executive Officer and a Director of Monchhichi PLC (former: Mercom Capital PLC) until 23 December 2016. Mr. Zorbas also served as a Director of Stratton Capital Corp. until 20 October 2016. He is a founding shareholder of Asian Coast Development Ltd. Mr. Zorbas holds an Honors Bachelors in Economics from the University of Toronto.

Jing Peng, Chief Financial Officer- Age 39 Jing Peng is a Canadian Chartered Professional Accountant with a Master of Management and Professional Accounting degree from the University of Toronto. Mr. Peng has acted as CFO for other Canadian reporting issuers and previously served as an accountant with two large accounting firms.

John MacPhail, Age 56,- Mr. MacPhail is most recently the founder and CEO of I-5 Holdings Ltd. and sits on the board of Mainstem Goods & Services , Green Stripe Naturals Inc and East West Sciences Ltd. Prior to his involvement in the US cannabis space he was President of a regional Canadian investment dealer and prior to that, the CEO of a national investment dealer he also served on the board of directors for 3 other Canadian investment dealers. As an Investment Banker he has assisted companies raise funds and advised management on corporate strategy for more than 20 years. Mr. MacPhail has also served on numerous industry boards and committees in the investment industry during his career as an investment banker.

Alexander Dementev, Age 56 – Mr. Dementev is an independent geophysics researcher. He provides technological solutions and services to companies in various industries including manufacturing, distribution and mining. Mr. Dementev holds equivalent of Master Degree in Applied Physics from Rostov State University and Post Graduated Degree in Analytical Chemistry from the Institute of Analytical Chemistry and Geo-Chemistry (both in Russian Federation). Mr. Dementev is currently the Chief Technology Officer for Klimov Design Bureau, leading several international hydrocarbons conversion projects. Mr. Dementev lives in Toronto, Canada.

Kyle Appleby, Director – Age 42 - Mr. Appleby is a member of the Chartered Public Accountants of Canada and Ontario, and President and Chief Executive of CFO Advantage Inc., a company that provides CFO, and other financial accounting and compliance services to companies in various industries including junior mining, manufacturing and distribution. Mr. Appleby is currently CFO of a number of reporting issuers in Canada. Mr. Appleby lives in Toronto, Canada.

Henry Kloepper, Chief Executive Officer and Director – Age 64 - Mr. Kloepper has worked in the mining industry, investment banking and structured finance throughout a 30 year career. He has a rounded knowledge of the capital markets, strategic growth and investments. In the past, Mr. Kloepper has worked in executive positions with Frontier Lithium Inc. JP Morgan, Citibank, Bank of America, and North American Trust in Canada, the US and Europe. Currently, Mr. Kloepper is a director of a number of public companies listed in Canada and the U.S., which are involved in consumer finance, merchant banking, manufacturing and distribution. His responsibilities range from lead independent director to chairing audit/compensation committees. Notable directorships include: Award Capital (Spot Coffee - food and beverage), National Construction, Mogul Energy (Oil and Gas), DealNet Capital (Consumer finance/merchant banking), Gilla Inc. (E cigarette manufacturer/distribution), Sofit Mobile (App. and technology incubator), and Pacific Software Inc. (Metal Fabrication).

Effect of the Proposed COB on the Corporation’s Share/Security Structure

The Corporation expects that there will be no change in the existing share structure of the Corporation as a result of the Proposed COB, and that no Common Shares or other securities of the Corporation will be issued in connection with the Proposed COB.

Fully Diluted Share Capital

The following table summarizes the securities of the Corporation currently issued and outstanding :

	<u>Number of Securities</u>	<u>Percentage of Total Number of Corporation Shares (fully diluted)</u>
Securities issued and outstanding as of the date Hereof	775,297,395	70.51%
Securities to be issued on the exercise of Warrants	320,048,165	29.11%

Securities to be issued on the exercise of Options	4,200,000	0.38%
Total	1,099,545,560	100%

Description of the Securities

The authorized capital of the Corporation consists of an unlimited number of common shares without nominal or par value. The holders of common shares are entitled to receive notice of and attend all meetings of the shareholders of the Corporation and are entitled to one vote in respect of each common share held at such meetings. Subject to the prior rights of any class of shares from time to time having priority over the common shares, the holders of the common shares shall have the right to receive such dividends (if any) as the directors in their sole discretion may declare. In the event of liquidation, dissolution or winding-up of the Corporation, the holders of common shares are entitled to share rateably the remaining assets of the Corporation.

Proposed Executive Compensation

The following table sets forth the anticipated annual and long-term compensation for services in all capacities to the Corporation for the twelve months following the approval of the Proposed COB in respect of the Corporation's Chief Executive Officer and four most highly compensated executive officers (each, a "COB Named Executive Officer").

SUMMARY COMPENSATION TABLE							
Name and Principal Position of Resulting Issuer Named Executive Officer	Salary or Consulting Fee	Share-Based Awards	Option Based Awards	Non-Equity Incentive Plan Compensation		All Other Compensation ⁽³⁾	Total Compensation
				Annual Incentive Plans ⁽²⁾	Long-Term Incentive Plans		
John Zorbas, President	\$220,000	None proposed at this time	None proposed at this time	None proposed at this time	None proposed at this time	None proposed at this time	\$220,000
John MacPhail, CEO of I-5 Holdings Ltd.	\$250,000	None proposed at this time	None proposed at this time	None proposed at this time	None proposed at this time	None proposed at this time	\$250,000
Jing Peng Chief Financial Officer	\$49,399 ⁽¹⁾	None proposed at this time	None proposed at this time	None proposed at this time	None proposed at this time	None proposed at this time	\$49,399

(1) Fees paid to Marrelli Support Services Inc., to which Mr. Peng is an employee, relating to CFO function performed and bookkeeping and accounting services provided.

Stock Option Plan Following the Proposed COB

The Corporation expects that there will be no change to the existing stock option plan as a result of the Proposed COB.

Available Funds and Principal Purposes of Funds

The Corporation estimates that it will have approximately \$40 million in available funds and cash equivalents after the completion of the Proposed COB.

The Corporation intends to use these funds for future investments in the cannabis industry and to pay for general and administrative expenses, which are expected to include salaries and bonuses, management fees, consulting fees, professional fees (legal and accounting), rent, office expenses, investor relations expenses, insurance and fees payable to the Corporation's auditor and transfer agent.

Interests of Insiders

The directors and officers of the Corporation and their associates and affiliates following the Proposed COB, as a group, beneficially own 9,003,500 Common Shares or approximately 1.15% of the issued and outstanding Common Shares of the Corporation.

Indebtedness of Directors and Officers

Upon the approval of the Proposed COB, none of the directors or officers of the Corporation, nor any other individual who at any time during the most recently completed financial year of the Corporation was a director or officer of the Corporation, nor any of their Associates, will be indebted to the Corporation, and neither will any indebtedness of any of these individuals or Associates to another entity be the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

Investor Relations Arrangements

The Corporation has not entered into any written or oral agreement or understanding with any person to provide promotional or investor relations services to it, or to engage in activities for the purposes of stabilizing the market, either now or in the future.

RISKS RELATED TO U.S. MARIJUANA ACTIVITIES

On February 8, 2018, the Canadian Securities Administrators published Staff Notice 51-352 (Revised) *Issuers with U.S. Marijuana-Related Activities* (the “**Staff Notice**”), which provides specific disclosure expectations for issuers that currently have, or are in the process of developing, cannabis-related activities in the US as permitted within a particular state’s regulatory framework. All issuers with US cannabis-related activities are expected to clearly and prominently disclose certain prescribed information in required disclosure documents.

As a result of I-5’s operations in the US, the Corporation is properly subject to the Staff Notice and accordingly provides the following disclosure:

I. All Issuers with U.S. Marijuana-Related Activities

A. Nature of the Company’s Involvement in the U.S. Marijuana Industry

As of May 2018, I-5 is acting as landlord to two licensed tier two producer/processor businesses in Bellingham, Washington, and owns a pair of temporary retail licenses in Southern California (West Hollywood and Santa Ana) which are pending the issuance of permanent licenses. More information, by state, is as follows:

i. Washington. I-5 holds the master leases for two licensed tier two producer/processor businesses in Bellingham, Washington. I-5 has invested in and provided equipment to each location in order to offer turn-key facilities for the licensees which allows for the collection of equipment rental/facility fees beyond the capture of rent alone. Further, I-5 is in the process of securing the intellectual property rights for the branding, standard operating procedures, and processing techniques for each business which I-5 will then license back to the businesses in order to capture licensing fees on a per unit basis as well as licensing the intellectual property to other operations in Oregon and California, capturing further return on investment.

ii. California. I-5, through its subsidiaries and intermediaries, owns two retail licenses in Southern California (West Hollywood and Santa Ana) which are branded as Medmen stores and managed by Medmen under a management contract. I-5 further acquired ownership of Mellow Extracts, a manufacturer in Costa Mesa, California, which will create products that can be carried in I-5’s Medmen stores, allowing for a degree of vertical integration.

iii. Multi-State. I-5 holds an interest in MainStem, Inc., a Washington corporation, a business providing ancillary goods to the cannabis industry, such as packaging materials, growing supplies, and retail accessories.

B. Marijuana Illegality

In the US, cannabis is largely regulated at the state level. To the Company’s knowledge, there are to date a total of 29 states, plus the District of Columbia, Puerto Rico and Guam that have legalized cannabis in some form. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, the Controlled

Substances Act (the “CSA”) makes it illegal under federal law to manufacture, distribute or dispense marijuana. 21 U.S.C § 801, et seq. Cannabis is categorized as a Schedule I controlled substance under the CSA and as such, violates federal law in the US. Companies that engage in any form of commerce in the cannabis industry and individuals investing in a cannabis business may be subject to federal criminal prosecution along with civil fines and penalties. Federal enforcement could lead to dissolution, asset forfeiture and total loss of investment. Thus, enforcement of relevant laws is a significant risk.

C. Guidance from Federal Authorities

As a result of the conflicting views between state legislatures and the US federal government regarding cannabis, investments in cannabis businesses in the US 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 a memorandum (the “Cole Memorandum”) addressed to all US district attorneys acknowledging that, notwithstanding the designation of cannabis as a controlled substance at the federal level in the US, several US states have enacted laws relating to cannabis for medical purposes.

The Cole Memorandum outlined certain priorities for the Department of Justice (“DOJ”) relating to the prosecution of cannabis offenses. In particular, the Cole Memorandum 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 DOJ has never provided specific guidelines for what regulatory and enforcement systems it deems sufficient under the Cole Memorandum standard. In light of limited investigative and prosecutorial resources, the Cole Memorandum concluded that the DOJ 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.

On January 4, 2018, Attorney General Jeff Sessions issued a memorandum (the “Sessions Memorandum”) that rescinded the Cole Memorandum. The Sessions Memorandum rescinded previous nationwide guidance specific to the prosecutorial authority of US Attorneys relative to cannabis enforcement on the basis that they are unnecessary, given the well-established principles governing federal prosecution that are already in place. Those principles are included in chapter 9.27.000 of the US Attorneys’ Manual and require federal prosecutors deciding which cases to prosecute to weigh all relevant considerations, including federal law enforcement priorities set by the Attorney General, the seriousness of the crime, the deterrent effect of criminal prosecution, and the cumulative impact of particular crimes on the community.

As a result of the Sessions Memorandum, federal prosecutors will now be free to utilize their prosecutorial discretion to decide whether to prosecute marijuana 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 US Congress in the form of the Rohrabacher-Blumenauer Amendment, 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. Due to the ambiguity of the Sessions Memorandum in relation to medical cannabis, 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.

Such potential proceedings could involve significant restrictions being imposed upon the Company or third parties, and also divert the attention of key executives. Such proceedings could have a material adverse effect on the Company’s business, revenues, operating results and financial condition as well as the Company’s reputation, even if such proceedings were concluded successfully in favour of the Company.

For the reasons set forth above, the Company’s existing operations in the US, and any future operations or investments the Company may engage in, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company’s ability to operate in the US or any other jurisdiction.

As the Sessions Memorandum demonstrates, the US approach to enforcement of cannabis violations of the CSA can change at any time. While there is some uncertainty at the federal level, on March 23, 2018, the omnibus spending bill signed into law by President Trump included an updated version of the Rohrabacher-Blumenauer amendment, which, as stated above, prohibits the DOJ from using federal funds to prevent states with medical cannabis regulations from implementing laws that authorize the use, distribution, possession or cultivation of medical cannabis. The amendment applies to medical cannabis but not recreational cannabis and does not change the designation of cannabis as a Schedule I controlled substance under the CSA. This protection is limited to medical cannabis only and the amendment will once again be up for renewal when the bill expires later this year on September 30, 2018.

While there are no explicit federal protections for adult-use commercial cannabis activity, on April 11, 2018, President Trump made a verbal commitment to Republican Senator, Cory Gardner, to not interfere with the Colorado cannabis industry. Further, Senator Gardner stated, “President Trump has assured me that he will support a federalism-based legislative solution to fix this states’ rights issue once and for all.” At this time, such bipartisan legislation has not yet been finalized, but Senate Gardner went on to say, “[m]y colleagues and I are continuing to work diligently on a bipartisan legislative solution that can pass Congress and head to the President’s desk to deliver on his campaign position. . .”

D. Related Risks

The primary risks associated with owning and/or operating a cannabis business in the United States are as follows:

1. **Federal Enforcement.** As discussed above, there is always the possibility of federal enforcement looming over the operations of a cannabis business. Bob Ferguson, the Attorney General in Washington, has publicly stated that he has spoken to federal prosecutors in Washington in the wake of the Sessions Memorandum and, while they have been given the authority to prosecute, they do not intend to take those actions without additional action from Congress. There is likely more risk in California than Washington simply because the recreational use laws and regulations are brand new and if legacy medical or black market growers entering the licensed industry decide to continue skirting the rules, it may require a response from federal prosecutors.
2. **Regulatory Uncertainty.** Cannabis is a new industry in the U.S. and there are divided opinions as to how it should be legalized, if it should be legalized, and how to protect the interests of the general public. As such, the Company must be prepared for possible changes in laws and regulations which could seriously impact the Company’s business. Cannabis businesses are at risk as a going concern and the Company’s interests in such businesses must be treated accordingly. The Company will incur ongoing costs and obligations related to regulatory compliance and failure to do so may result in additional costs for corrective measures, penalties, or in restrictions on the Company’s operations. In addition, changes in regulations, more vigorous enforcement thereof, or other unanticipated events could require extensive changes to the Company’s operations, increased compliance costs, or give rise to material liabilities, which could have a material adverse effect on the business, results of operations, and financial condition of the Company.
3. **Strict Compliance.** Any state cannabis licenses obtained in the U.S. are expected to be subject to ongoing compliance and reporting requirements. Failure by the Company to comply with the requirements of licenses or any failure to maintain licenses would have a material adverse impact on the business. Should any state in which the Company holds or intends to hold a license decide not to grant, extend, or renew such license, or should it renew such license on different terms, the business could be materially adversely affected.
4. **Product Compliance.** States generally only allow the manufacture, sale, and distribution of cannabis products that are grown in that state and may require advance approval of such products. Certain states and local jurisdictions have promulgated certain requirements for approved cannabis products based on the form of the product and the concentration of the various cannabinoids in the product. While the Company intends to follow the guidelines and regulations of each applicable state and local jurisdiction in preparing products for sale and distribution, there is no guarantee that such products will be approved to the extent necessary. If the

products are approved, there is a risk that any state or local jurisdiction may revoke its approval for such products based on changes in laws or regulations or based on its discretion or otherwise. In the event the Company expands into other U.S. jurisdictions, it plans to undertake no cross-border commerce between states until the federal regulatory environment permits such commerce to occur.

5. **Acquisitions.** When the Company acquires cannabis businesses, it may obtain the rights to applications for licenses as well as licenses; however, the procurement of such applications for licenses and licenses generally will be subject to governmental and regulatory approval. There are no guarantees that the Company will successfully consummate such acquisitions, and even if the Company consummates such acquisitions, the procurement of applications for licenses may never result in the grant of a license by any state or local government or regulatory agency and the transfer of any rights to licenses may never be approved by the applicable state and/or local governmental or regulatory agency.
6. **Sale of Cannabis Interests.** Due to the regulatory schemes employed at the state level, it may be difficult, if not impossible, for the Company to sell its interests in the cannabis businesses. In California, licenses may not be sold. A cannabis business can sell its location, inventory, and intellectual property, but the buyer would have to apply for its own license and be approved by the state. In Washington, the Company's interest as landlord and its potential ownership of the intellectual property being licensed to the cannabis businesses would likely be transferable but the market for such a sale is extremely limited.
7. **Employees.** Cannabis licensees have to be very careful in their hiring practices. Related to the strict compliance discussion above, it only takes one bad employee to put the entire business at risk. For retail licensees, one employee stealing products from the store or failing to check that all customers are over the age of twenty-one can result in suspensions of the license, revocation of the license, or hefty fines. Employees must be strictly reviewed. In Washington, licenses have been revoked or seriously harmed by disgruntled employees who do not follow the regulations and, upon termination, call Washington State Liquor and Cannabis Board ("WSLCB") enforcement to report violations on the premises. Managerial oversight is extremely important in the cannabis industry as even a part-time, minimum-wage employee has the ability to severely harm the licensed business.
8. **Intellectual Property.** The USPTO does not provide trademark protection for cannabis related marks on cannabis products, making it hard to enforce against intellectual property theft. It is possible to obtain trademarks for brands used in the cannabis industry but only on non-cannabis goods, typically clothing, hats, lighters, etc. State governments have been willing to issue state trademarks for cannabis brands on cannabis products but state trademarks provide significantly less protection than federal trademarks. Patents are also very difficult to receive in the cannabis industry and require complex legal and scientific questions. Further, states generally require approval over packaging and labeling of cannabis products and may not allow the Company's desired branding and/or packaging to be utilized in commerce.
9. **Contract Enforceability.** Because the Company's contracts involve cannabis and other activities that are not legal under U.S. federal law and in some jurisdictions, the Company may face difficulties in enforcing its contracts in U.S. federal and certain state courts.
10. **Bankruptcy.** Federal courts in the United States have held that cannabis businesses are not able to receive protection under bankruptcy laws. It has also been held that owners of cannabis businesses seeking personal bankruptcy protection will also be unable to take advantage of filing for bankruptcy. Therefore, in the event any of I-5's subsidiaries in the United States run into financial trouble, it will not be possible for file for bankruptcy protection without a drastic change in federal law.

11. Banking – Due to federal laws against marijuana, most banks are unwilling to take deposits, issue credit cards, open bank accounts, or assist with payroll services for cannabis businesses. While efforts are underway to address the banking issue, cannabis businesses deal primarily with cash. This presents numerous risks related to security, managing cash flow and the inability to invest funds. The California Board of Equalization allows for cash payments of tax bills at county branches located throughout the state. Nevertheless, cash-related issues continue to present risks for investors. The Company presently maintains accounts at multiple major banks for redundancy. There are a few banking options in Washington State (Salal Credit Union, Obee Credit Union, Numerica Credit Union, and Timberland Bank) who have specifically solicited cannabis business and offer bank accounts and, occasionally, offer loans in limited quantities. Other small area banks have begun to allow for cannabis accounts, such as Sound Community Bank. I-5 is looking into these options to protect funds obtained from cannabis licensees. As California has only recently started its recreational cannabis program, similar solutions have not yet been created or promoted in the same way as Washington State after four years of recreational legalization. I-5 is actively tracking banking options in California to limit the risk of accounts being frozen, as is a common occurrence in the cannabis industry.
12. Taxes – Under Internal Revenue Code Section 280E, cannabis businesses are prohibited from deducting their ordinary and necessary business expenses, except for some “costs of goods sold” by cultivators. This results in cannabis enterprises facing much higher federal tax rates than similar companies in other industries. While opinions differ, experts estimate from 40% to 70% as the effective federal tax rate imposed by Section 280E. Further, cannabis licensees, particularly on the retail side, are required to collect and remit excise taxes for the state regulators. In Washington, the excise tax on retailers is currently set at thirty-seven percent (37%) of the selling price on “each retail sale of usable marijuana, marijuana concentrates, and marijuana-infused products” (WAC 314-55-089). In California, the excise tax on retailers is currently set at fifteen percent (15%). There is an additional cultivation tax in California for cultivators of cannabis set at \$9.25 per dry-weight ounce of cannabis flower and \$2.75 per dry-weight ounce of cannabis leaves (i.e. trim).
13. Food and Drug Administration – The FDA does not permit or allow any statement that cannabis or cannabinoid is intended to treat or cure any disease. Research and scientific studies are underway throughout the U.S.; however, no product may make statements of diagnosis, treatment, or cure for any disease without FDA approval.
14. Product Liability Claims – Insurance law and available products for cannabis operations, and product liability of cannabis, is a major concern for the industry. Investors should be aware that insurance policies may be limited, or claims may be challenged by insurance carriers. While there are insurance companies providing policies for cannabis businesses, many do not cover product liability. This risk factor has led to the emergence of American-made cannabis oil cartridges as many early processors were purchasing cartridges in bulk from China with a very high fail rate.
15. Background Checks – California and some local jurisdictions require background checks for management and employees as well as applicants for licenses and permits. Although some cannabis-related convictions are not prohibited for obtaining licensing, convictions for other offenses may cause a delay or make a company ineligible for licensing. In Washington, a single felony conviction, for any reason, in the ten years prior to the submission of the application for licensure results in an automatic disqualification of the owner.
16. License Issuance and Renewals – At this time, in California the Company has only obtained temporary state licenses. There is no guarantee that the Company will obtain annual licenses in California. Even if Company obtains annual licenses in California, all such licenses must be renewed annually and there is no guarantee that such license will be renewed each year. License renewals in Washington State have become less of a formality in recent years, and, in 2017, the Washington regulations were amended to state the WSLCB now has the discretion to deny renewals if licensees accrue a certain number of “points” throughout the previous year as well as if the WSLCB makes the determination that the licensee is likely to commit future violations.

17. Insurance. The Company believes that it and its subsidiaries currently have insurance coverage with respect to workers' compensation, general liability, fire and other similar policies customarily obtained for businesses to the extent commercially appropriate; however, because the Company is engaged in and operates within the cannabis industry, there are exclusions and additional difficulties and complexities associated with such insurance coverage that could cause the Company to suffer uninsured losses, which could adversely affect the Company's business, results of operations, and profitability. There is no assurance that the Company will be able to fully utilize such insurance coverage, if necessary.

E. Financing Considerations

Given the illegality of cannabis under US federal law, there is no guarantee that the Company will be able to access both public and private capital. Until now, the Company has been able to rely on public capital to fund continued operations. Further, on a state-by-state basis, certain disclosures are required prior to a licensed cannabis business taking in investment funds or, in Washington, injecting additional capital of any kind, even from the already-approved owners.

F. Operating Exposure

All of the Company's cannabis-based operations are located within the State of California and the State of Washington. Additional operations have been discussed in the State of Oregon and the State of Nevada but have not been executed as of the date this document was written.

G. Legal Advice, Compliance, and Potential Exposure

The Company is monitoring compliance with California law on an ongoing basis. The Company has engaged California-based cannabis regulatory compliance counsel, who have substantial experience advising cannabis companies on how to comply with California law. Company's counsel has been tasked with monitoring California law on an ongoing basis and advising Company to assist in ensuring that Company's operations comply with all California cannabis laws. Company has regularly scheduled calls with compliance counsel to discuss compliance matters. Nevertheless, there is no assurance that the Company will be able to maintain or remain in compliance with California or other state laws.

The Company is monitoring compliance with Washington law on an ongoing basis. The Company has engaged Washington-based cannabis regulatory compliance counsel and I-5's Chief Operating Officer, Matthew Cleary, has been a Washington cannabis attorney since December 2015, as well as an enforcement officer with the Washington State Liquor and Cannabis Board prior to beginning private legal practice. Mr. Cleary has been tasked with monitoring Washington law on an ongoing basis and advising the Company to assist in ensuring that Company's operations comply with all Washington cannabis laws. Company has regularly scheduled calls with Mr. Cleary and separate retained counsel to discuss compliance matters. Nevertheless, there is no assurance that the Company will be able to maintain or remain in compliance with Washington or other state laws.

Company has prepared Standard Operating Procedures, which include internal compliance procedures. While the Company will maintain and update its Standard Operating Procedures, there is no assurance the Company's Standard Operating Procedures will be sufficiently acceptable in the future. Moreover, even if Company complies with each and every law and regulation, Company may still be subject to federal criminal prosecution along with civil fines and penalties. Federal enforcement could lead to dissolution, asset forfeiture and total loss of investment.

II. Involvement with Cultivation and Distribution

A. U.S. Marijuana Issuers with Direct Involvement in Cultivation or Distribution

At this time, the Company's involvement in the California cannabis industry is limited to commercial cannabis retailer activities. Company does not currently engage in any commercial cannabis cultivation or distribution activities in California. Therefore, with respect to its California operations, Company does not believe it is subject to the disclosure requirements for "U.S. Marijuana Issuers with Direct Involvement in Cultivation or Distribution" set forth in the Staff Notice. If the Company's operations change in the future, it will provide the appropriate amended version of this

disclosure. In the event the Company is subject to these disclosure requirements, the Company reserves the right to update this document accordingly.

The Company's involvement in the Washington cannabis industry is limited to that of a landlord and lessor to cannabis cultivation and distribution activities. The Company does not currently engage in any commercial cannabis cultivation or distribution activities in Washington. Therefore, with respect to its Washington operations, Company does not believe it is subject to the disclosure requirements for "U.S. Marijuana Issuers with Direct Involvement in Cultivation or Distribution" set forth in the Staff Notice. If the Company's operations change in the future, it will provide the appropriate amended version of this disclosure. In the event the Company is subject to these disclosure requirements, the Company reserves the right to update this document accordingly.

B. U.S. Marijuana Issuers with Indirect Involvement in Cultivation or Distribution

As stated above, the Company has no direct involvement in the cultivation or distribution of cannabis or cannabis products in California. The Company is only indirectly involved in California in commercial cannabis cultivation or distribution via its supply chain contracts with such operators. Therefore, with respect to its California operations, Company does not believe that it is subject to the disclosure requirements for "U.S. Marijuana Issuers with Indirect Involvement in Cultivation or Distribution" set forth in the Staff Notice. If the Company's operations change in the future, it will provide the appropriate amended version of this disclosure. In the event the Company is subject to these disclosure requirements, the Company reserves the right to update this document accordingly.

As stated above, the Company has no direct involvement in the cultivation or distribution of cannabis or cannabis products in Washington. The Company is only indirectly involved in Washington commercial cannabis cultivation or distribution via its status as a landlord to Washington cannabis cultivators and, therefore, receives rent proceeds from Washington cannabis licensees. As a landlord, the Company is not within the jurisdiction of the WSLCB and is not subject to its licensing requirements. The Company's tenants are subject to such licensing requirements but, in the event the current tenants fail in their compliance responsibilities, the Company will not be held accountable in any way by the WSLCB and the Company shall be able to lease the built-out facilities to a new licensee. The only restrictions placed on landlords to Washington cannabis businesses are (i) the landlord is not allowed to enter the premises without an escort from the licensee, and (ii) upon the termination of the lease, the landlord is not allowed to re-enter the property until the WSLCB has inspected the premises to ensure no cannabis remains onsite.

III. U.S. Marijuana Issuers with Material Ancillary Involvement

California's Bureau of Cannabis Control lists Company's two retail operations (in West Hollywood and Santa Ana) as a temporary state license holders. Neither retailer has not received any notice of violation, denial or noncompliance, or other regulatory enforcement action. On this basis, the Company is informed and believes that, with respect to these retail operations, Company "is in compliance with applicable licensing requirements and the regulatory framework enacted by [California]."

The Company holds an interest in MainStem, Inc., a supplier of goods to the cannabis industry, such as packaging materials, growing supplies, and retail accessories. This model does not require licensing through the WSLCB and is a purely ancillary business. While intended for the cannabis industry, MainStem's products are available to general consumers and only requires a basic business license and a license to sell pesticides.

Note: The Company has obtained legal advice regarding compliance with applicable state regulatory frameworks and exposure and implication arising from US federal laws in the states where it conducts operations. As of June 26, 2018, the Company has not received any notices of violation, denial or non-compliance from any US authorities.

RISK FACTORS

The Proposed COB exposes the Corporation to a number of additional risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. The following outlines certain risk factors associated with the Proposed COB and those risk factors specific to the Corporation.

Failure to Receive Regulatory and Shareholder Approvals

The rules and policies of the CSE require that the Proposed COB be approved by the shareholders of the Corporation prior to it becoming effective. The Proposed COB will also not become effective until the Corporation files a Listing Statement with the CSE and the CSE approves the Listing Statement and Proposed COB.

While the Corporation has made application with the CSE to approve the Proposed COB, there can be no assurance that the CSE approves the Listing Statement or approves the Proposed COB. If the Proposed COB is not approved by the CSE, the Corporation will remain an investment and merchant banking company and will not become a cannabis company.

Limited operating history in its new area of business

The Corporation has a limited operating history in its new area of business, is in the early-stage development and must be considered as a start-up company. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenue. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Corporation also has no history of earnings.

Because the Corporation has a limited operating history in emerging area of business, investors should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets. These risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues; and
- risks relating to an evolving regulatory regime.

The Corporation's future growth will depend substantially on its ability to address these and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

Additional financing

The Corporation believes that its raised capital is sufficient to meet its presently anticipated working capital and capital expenditure requirements for the near future. This belief is based on its operating plan which, in turn, is based on assumptions, which may prove to be incorrect. In addition, the Corporation may need to raise significant additional funds sooner to support its growth, develop new or enhanced services and products, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. If its financial resources are insufficient, it will require additional financing to meet its plans for expansion. The Corporation cannot be sure that this additional financing, if needed, will be available on acceptable terms or at all. Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing shareholders. If adequate funds are not available on acceptable terms or at all, the Corporation may be unable to develop or enhance its services and products, take advantage of future opportunities, repay debt obligations as they become due, or respond to competitive pressures, any of which could have a material adverse effect on its business, prospects, financial condition, and results of operations.

Volatile global financial and economic conditions

Current global financial and economic conditions remain extremely volatile. Access to public and private capital and financing continues to be negatively impacted by many factors as a result of the global financial crisis and global recession. Such factors may impact the Corporation's ability to obtain financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long-term decrease in asset values.

If such global volatility, market turmoil and the global recession continues, the Corporation's operations and financial condition could be adversely impacted.

Competition

The cannabis business industry in the United States is highly competitive. The Corporation will compete with numerous other businesses, many of which possess greater financial and marketing resources than the Corporation. The cannabis business is likely to be affected by changes in consumer tastes and discretionary spending patterns, national and regional economic conditions, demographic trends, consumer confidence in the economy, traffic patterns, local competitive factors, cost and availability of raw material and labor, and governmental regulations. Any change in these factors could materially and adversely affect the Corporation's operations. The Corporation's operations can also be substantially affected by adverse publicity resulting from quality, illness, injury, health concerns, public opinion, or operating issues. The Corporation will attempt to manage these factors, but the occurrence of any one or more of these factors could materially and adversely affect the Corporation's business, financial condition and results of operations.

Reliance on management

The success of the Corporation is dependent on the performance of its senior management. The loss of services of these persons would have a material adverse effect on the Corporation's business and prospects in the short-term. There is no assurance the Corporation can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Corporation and its prospects.

Factors which may prevent realization of growth targets

The Corporation is currently in the early development stage. There is a risk that the additional resources will be needed, and milestones will not be achieved on time, on budget, or at all, as they are can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following as it relates to the Corporation:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- facility design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

The products sold by the Corporation are subject to regulation governing food, dietary supplement, controlled substances and related products

The Corporation's activities are subject to regulation by governmental authorities. Achievement of the Corporation's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Corporation cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Corporation.

Risks associated with increasing competition

There is potential that the Corporation will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience

the Corporation. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Corporation.

Due to the early stage of the industry in which the Corporation operates, the Corporation expects to face additional competition from new entrants. To remain competitive, the Corporation will require a continued high level of investment in research and development, marketing, sales and client support. The Corporation may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations the Corporation.

Risks inherent in an agricultural business

A part of the Corporation's business revolves around purchasing of cannabis products, the cultivation of cannabis and processing of cannabis extracts, all of which are agricultural products or derived from agricultural products. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although the Corporation intends to cultivate and process cannabis indoors under climate-controlled conditions and carefully monitoring the growing conditions with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the production of its products.

Product liability

As a manufacturer and distributor of products designed to be inhaled, ingested or otherwise consumed by humans, the Corporation faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of the Corporation's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Corporation's products alone or in combination with other medications or substances could occur. The Corporation may be subject to various product liability claims, including, among others, that the Corporation's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Corporation could result in increased costs, discontinuation of products, adverse impact on the Corporation's reputation with its clients and consumers generally and could have a material adverse effect on its results of operations and financial condition. There can be no assurances that the Corporation will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Corporation potential products.

Product recalls

Manufacturers, processors, cultivators, sellers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products developed by the Corporation are recalled due to an alleged product defect or for any other reason, the Corporation could be required to incur the unexpected expense relating to the recall and any legal proceedings that might arise in connection with the recall. The Corporation may lose a significant amount of revenue and may not be able to replace that revenue at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Corporation is establishing procedures to test finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Corporation's significant brands were subject to recall, the image of that brand and the Corporation could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Corporation's products and could have a material adverse effect on the results of operations and financial condition of the Corporation. Additionally, product recalls may lead to increased scrutiny of the Corporation's operations by the regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Dependence on suppliers and skilled labour

The ability of the Corporation to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Corporation will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Corporation's capital expenditure program may be significantly greater than anticipated by the Corporation's management, and may be greater than funds available to the Corporation, in which circumstance the Corporation may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the financial results of the Corporation.

Operating risk and insurance coverage

The Corporation's insurance coverage is intended to address all material risks to which it is exposed and is adequate and customary in its current state of operations. However, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Corporation is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Corporation's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Corporation were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Corporation were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Management of growth

The Corporation may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Dividends

The Corporation has no earnings or dividend record and does not anticipate paying any dividends on the Corporation's shares in the foreseeable future. Dividends paid by the Corporation would be subject to tax and, potentially, withholdings.

Limited market for securities

There can be no assurance that an active and liquid market for the Corporation's shares will develop or be maintained and an investor may find it difficult to resell any securities of the Corporation.

Environmental and employee health and safety regulations

The Corporation's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. The Corporation will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Corporation's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Corporation.

Portfolio Exposure and Sensitivity to Macro-Economic Conditions

Given the nature of the Corporation's proposed investment activities in the cannabis industry, the financial success of the Corporation will in part be dependent upon the market value of the Corporation's cannabis investments. Market value can be reflective of the actual or anticipated operating results of companies in the portfolio and/or the general market conditions that affect the resource, technology and industrial sectors. Various factors affecting the cannabis and agriculture sectors could have a negative impact on the Corporation's portfolio of cannabis investments and thereby have an adverse effect on its business. Additionally, the Corporation may invest in private and small-cap cannabis businesses that may never mature or generate adequate returns or may require a number of years to do so.

This may create an irregular pattern in the Corporation's investment gains and revenues (if any).

Macro factors such as fluctuations in global political and economic conditions and social trends could also negatively affect the Corporation's portfolio of investments. Due to the Corporation's proposed focus on the on the cannabis sector, the success of the Corporation's cannabis investments will be interconnected with prevailing social trends and to the strength of the various industries.. Corporation-specific risks, such as the risks associated with cannabis operations generally, could have an adverse effect on one or more of the investments of the Corporation. Corporation-specific and industry-specific risks that may materially adversely affect the Corporation's cannabis investments and assets may have a materially adverse impact on operating results. The factors affecting current macro economic conditions are beyond the control of the Corporation.

Furthermore, the occurrence of unforeseen or catastrophic events, including the emergence of a pandemic or other widespread health emergency (or concerns over the possibility of such an emergency), terrorist attacks or natural disasters, could create economic and financial disruptions and could lead to operational difficulties that could impair the Corporation's ability to manage its business.

Cash Flow and Revenue

Assuming completion of the Proposed COB, it is expected that the Corporation's revenue and cash flow will be generated from its cannabis investments, operations and proceeds from the disposition of cannabis investments. The availability of these sources of income and the amounts generated from these sources are dependent upon various factors, many of which are outside of the Corporation's direct control. The Corporation's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in market conditions generally or to matters specific to the Corporation, or if the value of its investments decline, resulting in losses upon disposition.

Private Issuers and Illiquid Securities

The Corporation may invest in securities of private cannabis companies, illiquid securities of public cannabis companies and publicly-traded securities that have low trading volumes. The value of these investments may be affected by factors such as investor demand, resale restrictions, general market trends and regulatory restrictions. Fluctuation in the market value of such investments may occur for a number of reasons beyond the control of the Corporation and there is no assurance that an adequate market will exist for investments made by the Corporation. Many of the cannabis investments made by the Corporation may be relatively illiquid and may decline in price if a significant number of such investments are offered for sale by the Corporation or other investors.

Volatility of Stock Price

The market price of the Common Shares have been and may continue to be subject to wide fluctuations in response to factors such as actual or anticipated variations in its results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may adversely affect the market price of the Common Shares, even if the Corporation is successful in maintaining revenues, cash flows or earnings. The purchase of the Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Securities of the Corporation should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Corporation should not constitute a major portion of an investor's portfolio.

Available Opportunities and Competition for Investments

Assuming completion of the Proposed COB, the success of the Corporation's operations will depend upon, among others: (a) the availability of appropriate opportunities to acquire cannabis assets and make cannabis related investments; (b) the Corporation's ability to identify, select, acquire, grow and exit those assets and investments; and (c) the Corporation's ability to generate funds for the acquisition of future cannabis assets and cannabis investments. The Corporation can expect to encounter competition from other entities having similar business objectives, including

other cannabis companies and strategic cannabis investors. These groups may compete for the same cannabis assets and investments as the Corporation, will have a longer operating history and may be better capitalized, have more personnel and have different return targets. As a result, the Corporation may not be able to compete successfully for cannabis assets and investments. In addition, competition for investments may lead to the price of such investments increasing, which may further limit the Corporation's ability to generate desired returns. There can be no assurance that there will be a sufficient number of suitable investment opportunities available to invest in or that such investments can be made within a reasonable period of time. There can also be no assurance that the Corporation will be able to identify suitable cannabis assets and investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns from investments will be diminished to the extent that the Corporation is unable to find and make a sufficient number of investments.

Due Diligence

The due diligence process undertaken by the Corporation in connection with acquiring cannabis assets and investments may not reveal all facts that may be relevant in connection with a cannabis asset or investment. Before acquiring cannabis assets or investments, the Corporation will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each cannabis asset and investment. When conducting due diligence, the Corporation may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding the acquisition of a cannabis asset or investment, the Corporation will rely on resources available, including information provided by the cannabis asset or investment and, in some circumstances, third-party investigations. The due diligence investigation that is carried out with respect to any acquisition of cannabis asset or investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

ESCROW ARRANGEMENTS

To the knowledge of the directors and executive officers of the Corporation, as at the date hereof, no securities of the Corporation are currently held in escrow. The Corporation at this time does not foresee any securities being placed in escrow as a result of the Proposed COB.

LEGAL PROCEEDINGS

Other than as set out below, management knows of no legal proceedings, contemplated or actual, involving the Corporation, which could materially affect the Corporation.

Belmont Capital Corp. ("**Belmont**") commenced a law suit against the Corporation, I-5 and certain individuals seeking damages of \$5 million. Belmont submitted a subscription agreement to subscribe for securities in the Corporation's December, 2017 private placement raising \$7.8 million. The Corporation did not accept Belmont's subscription and, as per the terms of Belmont's subscription agreement, the Corporation was entitled to reject Belmont's subscription in whole or in part. The Corporation does not believe it was under any obligation to accept Belmont's subscription and Belmont never sent subscription funds to the Corporation. The Corporation believes this law suit is without merit and frivolous and the Corporation intends to vigorously defend Belmont's claim.

DIVIDEND POLICY

The Corporation has no fixed dividend policy and no dividends have been declared on any class of shares of the Corporation since the date of incorporation. The payment of dividends is subject to the discretion of the Board and will depend on, among other factors, earnings, capital requirements and operating and financial condition. The Corporation does not intend to pay dividends in the foreseeable future but instead intends to retain future earnings, if any, to finance the growth and development of the Corporation's business.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Corporation is TSX Trust Company, 100 Adelaide Street West, Suite 300, Toronto, Ontario M5H 4H1.

ADDITIONAL INFORMATION

Additional information concerning the Corporation is available on SEDAR at www.sedar.com. Financial information concerning the Corporation is provided in the Corporation's consolidated financial statements and management's discussion and analysis for the financial years ended March 31, 2016 and 2017.

DIRECTORS' APPROVAL

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

DATED at Toronto, Ontario as of the 27th day of June, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) John Zorbas _____

SCHEDULE “A”
CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

1. PURPOSE

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Captor Capital Corp. (the “Corporation”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee’s primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management’s discussion and analysis of the Corporation’s financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation’s external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and provide oversight to related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

2. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

3. COMPOSITION AND MEETINGS

- (a) The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission (“OSC”),

the TSX Venture Exchange, the Business Corporations Act (Ontario) and all applicable securities regulatory authorities.

- (b) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
- (c) A majority of the members of the Committee shall be “independent” and shall be “financially literate” (as each such term is defined in Multilateral Instrument 52-110).
- (d) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
- (e) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- (f) If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- (g) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- (h) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- (i) The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
- (j) The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
- (k) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.

4. **RESPONSIBILITIES**

(a) Financial Accounting and Reporting Process and Internal Controls

- (i) The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable generally accepted accounting principles (“GAAP”) and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- (ii) The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management’s response.
- (iii) The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements, management’s discussion and analysis and interim earnings press releases, and periodically assess the adequacy of these procedures.
- (iv) The Committee shall review management’s discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
- (v) The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Corporation in charge of financial matters, deem appropriate.
- (vi) The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
- (vii) The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management’s response and subsequent follow-up to any identified weaknesses.
- (viii) The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
- (ix) The Committee shall establish procedures for:
 - (A) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (B) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (x) The Committee shall provide oversight to related party transactions entered into by the Corporation.

5. **Independent Auditors**

- (a) The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
- (b) The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
- (c) The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.
- (d) The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.
- (e) The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
- (f) The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
- (g) The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.
- (h) The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
- (i) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
- (j) The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.

Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

Procedures for Receipt of Complaints and Submissions Relating to Accounting Matters

- The Corporation shall inform employees on the Corporation's intranet, if there is one, or via a newsletter or e-mail that is disseminated to all employees at least annually, of the officer (the "Complaints Officer") designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.
- The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.
- The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly

basis prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Corporation.

- Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.
- The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

Procedures for Approval of Non-Audit Services

6. The Corporation's external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Corporation's accounting records or financial statements;
 - (b) financial information systems design and implementation;
 - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (d) actuarial services;
 - (e) internal audit outsourcing services;
 - (f) management functions;
 - (g) human resources;
 - (h) broker or dealer, investment adviser or investment banking services;
 - (i) legal services;
 - (j) expert services unrelated to the audit; and
 - (k) any other service that the Canadian Public Accountability Board determines is impermissible.
7. In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.
8. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.