CANNTAB THERAPEUTICS LIMITED
ANNUAL INFORMATION FORM

For the Fiscal Year Ended May 31, 2018

October 29, 2018

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ABOUT THIS ANNUAL INFORMATION FORM

Unless otherwise indicated or if the context otherwise requires, "**Company**", "**Canntab**", "**we**", "**us**" and "**our**" means Canntab Therapeutics Limited, its predecessors and subsidiaries.

All financial information and all dollar amounts in this annual information form ("**Annual Information Form**" or "**AIF**") is stated in Canadian dollars, unless otherwise indicated. The Company prepares its financial statements in accordance with International Financial Reporting Standards ("**IFRS**") and accordingly, financial information in this AIF is presented in accordance with IFRS.

Statistical information and other data relating to the medical cannabis industry and the cannabis industry in general included in this AIF are derived from industry reports published by industry analysts, industry associations and/or independent consulting and data compilation organizations. Market data and industry forecasts used throughout this AIF were obtained from various publicly available sources. Although we believe that these independent sources are generally reliable, the accuracy and completeness of such information is not guaranteed and has not been independently verified.

This AIF applies to the business activities and operations of the Company for the year ended May 31, 2018. Unless otherwise indicated, the information in this AIF is given as of May 31, 2018.

FORWARD-LOOKING STATEMENTS

This AIF and the documents incorporated into this AIF contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (forward-looking information and forward-looking statements being collectively hereinafter referred to as "**forward-looking statements**"). Such forward-looking statements are based on expectations, estimates and projections as at the date of this AIF or the dates of the documents incorporated herein, as applicable. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends", or variations of such words and phrases, or stating that certain actions, events or results "may" or "could", "would", "should", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements and information concerning: the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company after the date of this AIF; market position, ability to compete and future financial or operating performance of the Company after the date of this AIF; statements based on the audited and unaudited financial statements of the Company; anticipated developments in operations; the future demand for the Company's products; the results of development of products and the timing thereof; the timing and amount of estimated capital expenditure in respect of the business of the Company; operating expenditures; success of marketing activities; estimated budgets; currency fluctuations; requirements for additional capital; government regulation; limitations on insurance coverage; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; planned business activities and planned future acquisitions; the adequacy of financial resources; and other events or conditions that may occur in the future.

Forward-looking statements are based on the beliefs of the Company's management, as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation those risks outlined in "*Description of the Business - Risk Factors*".

The list of risk factors set out in this AIF is not exhaustive of the factors that may affect any forward-looking statements of the Company. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this AIF generally and certain economic and business factors, some of which may be beyond the control of the Company. In addition, recent unprecedented events in the world economy and global financial and credit markets have resulted in high market and commodity volatility, which could have a particularly significant, detrimental and unpredictable effect on forward-looking statements. The Company does not intend, and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, the Company's securityholders should not place undue reliance on forward-looking statements.

CORPORATE STRUCTURE

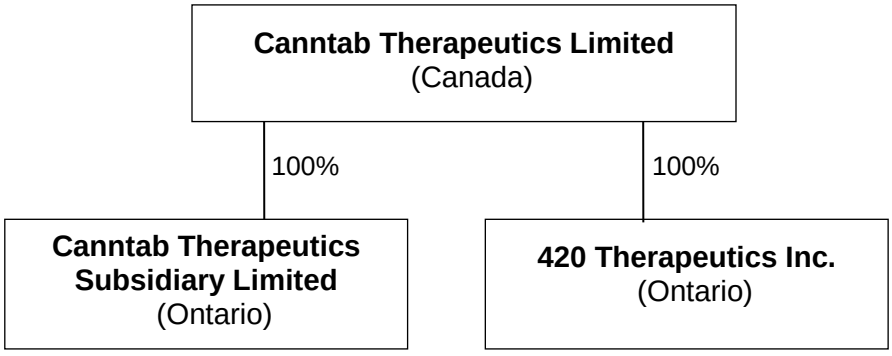
Name, Address and Incorporation

The full corporate name of the Company is "Canntab Therapeutics Limited". The head and registered office of the Company is located at 1 Adelaide Street East, Suite 801, Toronto, Ontario M5C 2V9. The Company is a reporting issuer in the Provinces of Alberta, British Columbia, Manitoba and Ontario.

The Company was incorporated pursuant to the *Canada Business Corporations Act* (the "**CBCA**") as "Telferscot Resources Inc." on May 31, 2010. On August 6, 2010, the Company amended its articles to add restrictions on the transfer of shares and to allow directors to appoint one or more director, to hold office for a term expiring not later than the close of the next annual general meeting and not to exceed one-third of the number of directors elected at the previous annual general meeting of shareholders. On December 17, 2010, the Company amended its articles to subdivide its Common Shares. On September 25, 2013, the Company amalgamated with 8549150 Canada Inc. On April 11, 2018, the Company filed articles of amendment to consolidate its shares on a 200 for 1 basis and change its name from "Telferscot Resources Inc." to "Canntab Therapeutics Limited".

Intercorporate Relationships

Set out below is the corporate structure of the Company and its subsidiaries, including the corporate jurisdiction and the percentage of shares of the subsidiaries owned, controlled or directed by the Company.



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The following description sets out the principal events that have influenced the development of the business of the Company over the respective time period, see also "*Description of the Business*".

1. **Sale of Interest in Kolwezi Copper Corp.:** On November 11, 2015, the Old Telferscot (as defined below) entered into an agreement to sell its 2,775 common shares (or 7.4% interest) in Kolwezi Copper Corp. ("**KCC**") for $1,165,652 (the "**Sale**"). The Sale closed in two tranches, with the first tranche closing on November 11, 2015 for a total of 575 KCC shares, for cash sales proceeds of $258,176, and the second tranche closing on March 2, 2016 for the remaining 2,200 KCC shares, for cash sales proceeds of $907,476.

2. **Licensing Agreement with Emblem Corp.:** On October 3, 2017, the Company entered into an exclusive marketing and sale license agreement (the "**Emblem Agreement**") with Emblem Corp.

("**Emblem**"), a licensed producer for the Canadian market. The Emblem Agreement grants Emblem the exclusive right in Canada to the Company's patents and know-how for the purpose of developing, commercializing, using, selling, and offering the sustained-release product for sale under the Emblem brand, but does not extend to the Company's other products, including its proposed bi-layer cannabinoid tablets. Under the Emblem Agreement, the Company and Emblem will also collaborate on the preclinical formulation, clinical development, regulatory approval, manufacturing and commercialization of the patent-pending oral sustained-release formulation for cannabinoids. There has been significant progress in the partnership between the Company and Emblem. On May 14, 2018, the Company received Health Canada approval for research and development activities on oral sustained release formulations of cannabinoids, and on September 18, 2018, the Company achieved a milestone, developing a patent-pending oral extended release formulation for cannabinoids in collaboration with Emblem.

3. **Completion of Private Placement:** In December 2017, in connection with a three-cornered amalgamation with Old Canntab (as defined below), the Company completed a private placement of 1,251,914 subscription receipts at a price of $4.00 per Subscription Receipt for gross proceeds of $5,007,656.

4. **Completion of Three-cornered Amalgamation:** On April 12, 2018, the Company, then-named "Telferscot Resources Inc." ("**Old Telferscot**"), completed a three-cornered amalgamation (the "**Transaction**") with Canntab Therapeutics Limited ("**Old Canntab**"). Under the Transaction, which effectively resulted in a reverse takeover of Old Telferscot by Old Canntab, (i) Old Canntab amalgamated with 2611780 Ontario Inc., a wholly owned subsidiary of Old Telferscot, to become Canntab Therapeutics Subsidiary Limited ("**Canntab Private**"), and (ii) Old Telferscot changed its name to Canntab Therapeutics Limited ("**New Canntab**"). The Transaction resulted in Canntab Private becoming a wholly-owned subsidiary of New Canntab.

5. **Australian Joint Venture:** On April 24, 2018, The Company entered into a joint venture agreement (the "**Joint Venture Agreement**") with Queensland Bauxite Ltd. ("**QBL**") and its wholly owned subsidiary, Vitacan Pty Ltd. ("**Vitacan**"). Under the Joint Venture Agreement, the parties will manufacture, distribute and sell the Company's proprietary products, including its XR Tablet (as defined below), in Australia, with the possibility for expansion into other territories in Asia. Vitacan has agreed to contribute the first USD $1,000,000 of capital required by the joint venture.

6. **Collaboration and Profit Sharing Agreement with FSD Pharma Inc.:** On September 18, 2018, the Company entered into a collaboration and profit sharing agreement (the "**FSD Agreement**") with FSD Pharma Inc. ("**FSD Pharma**"), which, through its wholly-owned subsidiary FV Pharma Inc., is a licensed producer of medicinal cannabis in Canada. Under the FSD Agreement, FSD Pharma will provide the Company with access to up to 10,000 square feet of space at a facility owned by FSD Pharma in Cobourg, Ontario (the "**FSD Facility**"), and assist the Company to obtain a license to process and sell cannabis products pursuant to the *Cannabis Act*. The Company is in the process of taking steps to build and install its own manufacturing facility within the FSD Facility to produce a suite of novel cannabis oral dose delivery platforms, including gel capsules and tablets, and other types of cannabis-based products, including sleep aids and pain relievers.

7. **Receipt of Equipment:** On September 25, 2018, the Company delivered to the FSD Facility manufacturing equipment capable of pressing more than 1,500,000 tablets per day, as well as blending machinery, large scale process and drying equipment and packaging equipment.

8. **Letter of Intent with NewCanna S.A.S:** On October 1, 2018, the Company entered into a non-binding Letter of Intent with NewCanna S.A.S of Bogota, Colombia ("**NewCanna**") for the

establishment of a significant bi-lateral relationship for the sale and distribution of the Company's products in Colombia, Chile, Paraguay and Spain (the "**Territory**"). The agreement will grant NewCanna the right to sell and distribute certain exclusive proprietary products of the Company, as well as the right to utilize the Company's know-how and patents within the Territory.

DESCRIPTION OF THE BUSINESS

General

The Company is a Canadian cannabis oral dosage formulation company based in Markham, Ontario, with its head office located at 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9. The Company is engaged in the research and development of advanced pharmaceutical grade formulations of cannabinoids, and has developed in house technology to deliver standardized medical cannabis extract from selective strains in a variety of extended/sustained release pharmaceutical dosages, for therapeutic use. The Company is presently listed on the Canadian Securities Exchange ("**CSE**") under the symbol "PILL", and is a reporting issuer in the Provinces of Alberta, British Columbia, Manitoba and Ontario.

The Company was incorporated on May 31, 2010 as Telferscot Resources Inc. under the *CBCA*. On April 12, 2018, Telferscot Resources Inc. completed a three-cornered amalgamation with Canntab Therapeutics Limited pursuant to an amalgamation agreement, which effectively resulted in a reverse takeover of Telferscot Resources Inc. by Canntab Therapeutics Limited. Under the three-cornered amalgamation, (i) Canntab Therapeutics Limited amalgamated with 2611780 Ontario Inc., a wholly owned subsidiary of Telferscot Resources Inc., to become Canntab Therapeutics Subsidiary Limited, and (ii) Telferscot Resources Inc. changed its name to Canntab Therapeutics Limited. The three-cornered amalgamation resulted in a corporate structure with Canntab Therapeutics Limited as the 100% parent of Canntab Therapeutics Subsidiary Limited.

Products

The Company has developed the formulation and prototype for its first product, the Extended Release Tablet ("**XR Tablet**"), which delivers standardized medical cannabis extract from selective strains in a solid, extended release pharmaceutical dosage. The XR Tablet is a proprietary phytocannabinoid vehicle that is designed to directly address the drawbacks and challenges of competing oral delivery systems, including, but not limited to, accuracy of dosing, onset times, duration of action, bioavailability, ease of spoilage, and the reduction of side effects. The Company plans to manufacture and distribute the XR Tablet in legal medical cannabis jurisdictions including Canada, select states within the United States, Australia, and Germany.

While the XR Tablet is not yet market-ready, the Company is rapidly moving toward the commercialization phase and gearing up for its first series of pre-clinical trials. Under the Emblem Agreement, Emblem and the Company will collaborate on the preclinical formulation, clinical development, regulatory approval, manufacturing and commercialization of the Company's patent-pending oral sustained release formulation for cannabinoids. Under the Emblem Agreement, Emblem will provide the Company with the raw materials (cannabis and cannabis oil) required to manufacture its oral sustained release tablet formulations of cannabinoids. The Company currently operates in Canada at Emblem's licensed facility in Paris, Ontario, where, under the supervision of Emblem and its licensed personnel, the Company will manufacture tablets to be sold by Emblem pursuant to the Emblem Agreement.

The Company has also entered into the FSD Agreement, effective September 17, 2018, with FSD Pharma, a licensed producer of medicinal cannabis in Canada. The FSD Agreement provides the company with access to up to 10,000 square feet of space at the FSD Facility. The Company is in the process of taking steps to build and install its own manufacturing facility within the FSD Facility to

produce a suite of novel cannabis oral dose delivery platforms, including gel capsules and tablets, and other types of cannabis-based products, including sleep aids and pain relievers. The products manufactured in Cobourg will also be sold in Canada by Emblem and internationally through FV Pharma, a licensed producer and wholly-owned subsidiary of FSD Pharma, where permitted.

In September 2018, the Company developed a patent-pending oral extended release formulation for cannabinoids in collaboration with Emblem, thereby achieving a milestone under the Emblem Agreement. Results obtained through dissolution testing indicated that the XR Tablets released cannabinoids consistently over a 12-hour period. Given these positive results, the Company will begin manufacturing pivotal batches of these tablets for pharmacokinetic and clinical testing at Emblem's Paris, Ontario facility.

As part of its overall business plan and strategy, the Company will continue to seek Health Canada approval for its formulations of cannabinoid medications. The Company has plans to apply to Health Canada to add the XR Tablet to the approved list under Canada's *Access to Cannabis for Medical Purposes Regulations* ("**ACMPR**"). The XR Tablets use pharmaceutical grade excipients, all approved by Health Canada, and, in order to facilitate the approval process, the Company and Emblem intend to present to Health Canada the similarities of the XR Tablet to existing room temperature oils inside gel capsules which have been approved under the ACMPR.

In October of 2018, the Company received notice from Health Canada confirming receipt of its application to become a Licensed Producer under the ACMPR (the "**License**"). The License, if granted by Health Canada, would allow the Company to process and sell cannabis products at its current production facility in Markham, Ontario with minimal additional capital expenditures as compared to a new purpose-built facility.

Specialized Knowledge

The legal, scientific, and financial complexities behind the Company's business demand the engagement of individuals with various specialized skills to develop, maintain, market, and sell the Company's products. The novel nature of the XR Tablet and the legal and financial complexities behind the manufacturing and global distribution of Cannabinoids demand a leadership team that possesses global experience and the requisite knowledge to guide the Company from patent filings to profitability.

To directly address this, the Company has assembled a group of established leaders and operators from the industry, including multi-decade industry veterans from the biotechnology and pharmaceutical industries who have a successful track record of developing and commercializing new drug formulations and product categories. The Company's current leadership team includes some of the following individuals:

1. **Jeff Renwick, CEO/Director** – Mr. Renwick is the lead innovator behind a suite of patents that underpin the Company's potential value. Mr. Renwick brings extensive experience in both drug formulation, business development, and monetization.

2. **Richard Goldstein, CFO/Director** – Mr. Goldstein has led and participated in the financing of numerous legal Cannabis companies, and possesses unique knowledge of the financial challenges in the industry, particularly as they pertain to taxation and cash management. He holds an MBA in finance from McMaster's DeGroote School of Business.

3. **Gavin Bogle, Patent and Trademark Counsel** – Mr. Bogle brings to the Company over 20 years of legal experience working in biotechnology, pharma, and their supporting ancillary industries. He has extensive cross-border transactional experience and in-depth knowledge of intellectual property licensing agreements.

4. **Barry Polisuk, Corporate Secretary/Director/Chairman** – Mr. Polisuk brings to the Company over 30 years of legal experience with a focus on secured lending, real estate, and securities law. Mr. Polisuk represents numerous financial institutions, as well as private lenders, and has acted on behalf of issuers in IPOs, RTOs, and private placement transactions.

5. **Robert Lefler, Director of Operations** – Mr. Lefler brings to the Company over 25 years of experience in the manufacturing of active pharmaceutical ingredients (API) and Finished Doses. Mr. Lefler specializes in optimizing processes to allow for rapid scaling of production and has been credited with the development of 40 proprietary consumer products.

6. **Lorne Gertner, Strategic Consultant** – Mr. Gertner is one of the world's foremost investors and trailblazing pioneers in the cannabis industry. Mr. Gertner has a deep understanding of retail distribution and has significant experience on the boards of a number of publicly traded cannabis companies. The Company has engaged Mr. Gertner as a strategic consultant.

Competitive Conditions

The medical cannabis industry in which the Company operates is, and is expected to continue to be, very competitive, and as such there is there is potential that the Company will face intense competition from other companies, some of which can be expected to have more financial resources and manufacturing and marketing experience than the Company. The Company's competitors may vary in size, from well capitalized businesses with substantial operations and revenues to smaller and earlier stage companies. Competitors with ACMPR licenses, or that may obtain ACMPR licenses sooner than the Company, may also be able to devote greater resources to develop and market competing products and establish broad customer bases sooner than the Company.

New Products

On June 20, 2018, the Company publicly announced the Health Canada approval and launch of the first of its '420 Therapeutics' brand of Cannabis wellness products, Hemp Oil Gel Capsules. Following the announcement, Health Canada advised the Company that it was required to change the '420 Therapeutics' brand name to comply with advertising regulations under the *Cannabis Act*. The Company intends to comply with the Health Canada request and expects to change the brand name for its Cannabis wellness products. Subject to obtaining all necessary approvals to effect the name change, the Company expects to begin rolling out the Hemp Oil Gel Capsules, the first product in its brand of Cannabis wellness products, in the near future. Each Hemp Oil Gel Capsule contains 50 milligrams of purified hemp seed oil extracted from cannabis sativa and suspended in high grade coconut oil, and contains ingredients that have been linked to various health benefits, including ingredients that help to increase the body's energy expenditure for weight control and also aid in building muscle.

Intellectual Property

The success of the Company's business depends in part on its ability to protect its technology and formulations related to pharmaceutical preparations containing natural or synthetic cannabinoids. In recognition of this, the Company continues to expand its intellectual property portfolio, which includes patent and trademark applications in the United States and Canada. The Company's intellectual property portfolio includes 4 patents, 13 patent applications, and 7 provisional patent applications in Canada, the United States and internationally. The patent applications pertain to a variety of the Company's innovative technologies related to oral dosage formulations of pharmaceutical cannabis, and are part of the Company's concerted strategy to develop a comprehensive portfolio covering the Company's technology and formulations. In addition, the Company's patent applications form the basis of its first product, the XR Tablet, which the Company intends to manufacture and distribute in various legal medical cannabis

jurisdictions. In addition to patents, the Company also has two trademark applications in the United States and Canada that cover potential trade names for the XR Tablet.

Components

The Company's business is dependent on raw materials (cannabis and cannabis oil) and supplies related to its anticipated manufacturing operations. At present, the Company receives the raw materials required to manufacture its oral sustained release tablet formulations of cannabinoids from Emblem, under the Emblem Agreement. In the future, the Company may also purchase the cannabis oils that it requires from FSD Pharma.

Economic Dependence

The Company's ability to manufacture and sell its products in Canada and in markets abroad is at present substantially dependent on the Emblem Agreement, and the FSD Agreement. Although the Company plans to apply to obtain a Dealer's License under the CDSA and to have the XR Tablet added to the approved list under the ACMPR, there can be no guarantee that the Company will obtain a Dealer's License or that it will succeed in having the XR Tablet approved under the ACMPR. Should Health Canada not grant the Company a Dealer's License or approve the XR Tablet, the Company may continue to be substantially dependent on the Emblem Agreement and the FSD Agreement.

Employees

As of the date of this Annual Information Form, the Company engages five full-time employees. For more information on the Company's executive officers see "*Directors and Officers*".

Reorganizations

The Company, formerly known as Telferscot Resources Inc., completed a three-cornered amalgamation with Canntab Therapeutics Limited on April 12, 2018, which effectively resulted in a reverse takeover of Telferscot Resources Inc. by Canntab Therapeutics Limited. Under the Transaction (i) Canntab Therapeutics Limited amalgamated with 2611780 Ontario Inc., a wholly owned subsidiary of Telferscot Resources Inc., to become Canntab Therapeutics Subsidiary Limited, and (ii) Telferscot Resources Inc. changed its name to Canntab Therapeutics Limited. The three-cornered amalgamation resulted in a corporate structure with Canntab Therapeutics Limited as the 100% parent of Canntab Therapeutics Subsidiary Limited.

RISK FACTORS

The Company's management defines risk as the evaluation of probability that an event might happen in the future that could negatively affect the financial condition and/or results of operations of the Company. The following section describes specific and general risks that could affect the Company. The following descriptions of risk do not include all possible risks as there may be other risks of which management is currently unaware. Moreover, the likelihood that a risk will occur or the nature and extent of its consequences if it does occur, is not possible to predict with certainty, and the actual effect of any risk or its consequences on the business could be materially different from those described below and elsewhere in this AIF.

Risks Related to The Company's Business and Industry

The Company's business is dependent on sourcing Cannabis

The Company's ability to produce, store and sell its proprietary products in Canada is dependent on being able to source cannabis from one or more licensed producers. A failure to source cannabis

sufficient to meet its business needs would have a material adverse impact on the business, financial condition and operating results of the Company.

Marijuana Sector Risks

As discussed further below, and subject to further clarity on the position of the U.S. Federal Government on the enforcement of U.S. federal laws relating to the marijuana industry, the Company intends to eventually manufacture and distribute its product in select states within the United States, where state laws have legalized marijuana-related activities notwithstanding U.S. federal prohibition on such activities. The Company may therefore be directly involved in, and derive a portion of its revenue from, the marijuana industry in the United States in addition to the marijuana industry in Canada.

As discussed under "United States Marijuana Industry Risk", as a result of the conflicting views between state legislatures and the U.S. federal government regarding marijuana, marijuana businesses in the United States are subject to inconsistent legislation and regulation. Unless and until the United States Congress amends the CSA (as defined below) with respect to marijuana (and there can be no assurance as to the timing or scope of any such potential amendments), there is a risk that U.S. federal authorities may enforce current federal law, which may adversely affect the planned future operations of the Company in the United States. As such, there are a number of risks associated with the Company's planned future operations in the United States, and such operations 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 United States. The Company has not yet commenced any marijuana-related or other activities in the United States, nor has it determined in which states it will operate. Prior to commencing any such marijuana-related activities, the Company intends to obtain legal advice and develop a compliance program to ensure, to the greatest extent possible, that the Company conducts its operations in compliance with applicable state laws and limits its potential exposure arising from U.S. federal laws, and the Company will do so for each state in which it proposes to operate.

Canadian Marijuana Industry Risk

On June 30, 2016, the Canadian Federal Government established the Task Force on Cannabis Legalization and Regulation (the "**Task Force**") to seek input on the design of a new system to legalize, strictly regulate and restrict access to cannabis. On December 13, 2016, the Task Force completed its review and published a report outlining its recommendations. On April 13, 2017, the Canadian Federal Government released Bill C-45, which proposed the enactment of the *Cannabis Act* (Canada), to regulate the production, distribution and sale of cannabis for unqualified adult-use, with a target implementation date of no later than July 1, 2018. Bill C-45 received royal assent in June 2018, and on October 17, 2018, the sale, possession and use of recreational cannabis became legal in Canada.

The governments of most of the provinces and territories of Canada have also made various announcements regarding the proposed regulatory regimes for the distribution and sale of cannabis for adult-use purposes in their jurisdictions. There is no guarantee that provincial legislation regulating the distribution and sale of cannabis for recreational purposes will be enacted according to the terms announced by such provinces, or at all, or that any such legislation, if enacted, will create the growth opportunities that the Company currently anticipates.

Furthermore, local and municipal governments have and may in the future implement legal rules or take other actions relating to the licensing, production, distribution, transportation, packaging and sale of cannabis and cannabis-based products within their jurisdictions, some of which conflict or may conflict with the legal rules implemented by the Federal and Provincial governments of Canada. There can be no assurance that any such legal rules or actions implemented or taken by applicable

municipal or local governments will not materially adversely affect the business, financial condition, results of operations and cash flows of the Company even if they conflict with the legal rules implemented by the Federal or Provincial governments of Canada.

United States Marijuana Industry Risk

Almost half of the U.S. states have enacted legislation to regulate the sale and use of medical cannabis without limits on tetrahydrocannabinol ("**THC**"), while other states have regulated the sale and use of medical cannabis with strict limits on the levels of THC.

Unlike Canada, which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical cannabis under the *Access to Cannabis for Medical Purposes Regulations*, the United States largely regulates cannabis at the state level. To the Company's knowledge, there are approximately 30 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 U.S. state level, cannabis continues to be categorized as a controlled substance under the *Controlled Substances Act* (the "**CSA**") in the U.S. and as such, it is illegal under federal law in the United States.

The U.S. Congress has passed appropriations bills in each of the last three years that have not appropriated funds for prosecution of cannabis offenses of individuals who are in compliance with state medical cannabis laws. American courts have construed these appropriations bills to prevent the federal government from prosecuting individuals when those individuals comply with state law. However, because this conduct continues to violate federal law, American courts have observed that should Congress at any time choose to appropriate funds to fully prosecute the CSA, any individual or business - even those that have fully complied with state law - could be prosecuted for violations of federal law. If Congress restores funding, the U.S. federal government will have the authority to prosecute individuals for violations of the law that occurred in the period before it lacked funding under the CSA's five-year statute of limitations. Violations of any U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Company, including its reputation and ability to conduct business, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Company to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

As a result of the conflicting views between state legislatures and the U.S. federal government regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. The response to this inconsistency was addressed in August 2013 when then Deputy Attorney General, James Cole, authored a memorandum (the "**Cole Memorandum**") addressed to all U.S. district attorneys acknowledging that notwithstanding the designation of cannabis as a controlled substance at the federal level in the U.S., several U.S. states have enacted laws relating to cannabis for medical purposes. The Cole Memorandum outlined certain priorities for the Department of Justice 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 Department of Justice has never provided specific guidelines for what regulatory and enforcement systems it deems sufficient under the Cole Memorandum standard.

However, on January 4, 2018, the U.S. federal government rescinded all previous nationwide guidance specific to marijuana enforcement, including the Cole Memorandum. With the Cole

Memorandum rescinded, U.S. federal prosecutors may exercise their discretion in determining whether to prosecute cannabis-related violations of U.S. federal law. It is possible that further regulatory developments in the U.S. could significantly adversely affect the business, financial condition and results of businesses involved in the cannabis industry.

In addition, given the heightened risk profile associated with cannabis in the United States, CDS may implement procedures or protocols that would prohibit or significantly curtail the ability of CDS to settle trades for cannabis companies that have marijuana businesses or assets in the United States. It is not certain whether CDS will decide to enact such measures, nor whether it has the authority to do so unilaterally. However, if CDS were to decide that it will not handle trades in the Company's securities, it could have a material adverse effect on the ability of investors to settle trades in a timely manner and on the liquidity of the Company's securities generally.

The Company relies on management and needs additional key personnel to grow the business, and the loss of key employees or inability to hire key personnel could harm the business.

The success of the Company has depended, and continues to depend, on the efforts and talents of its executives and employees, including Jeff Renwick, Chief Executive Officer. The Company's future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. In addition, the loss of any of the Company's senior management or key employees could materially adversely affect the Company's ability to execute its business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all. The Company does not maintain key person life insurance policies on any of its employees.

Factors which may prevent realization of growth targets

The Company is currently expanding from its early development stage. The Company's growth strategy contemplates outfitting the Markham, Ontario facility with additional production resources. There is a risk that these additional resources will not be obtained on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in the "*Risk Factors*" section as well as the following:

- failure or 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;
- operational inefficiencies;
- 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 or storms.

As a result, there is a risk that the Company may not have product or sufficient product available to meet the anticipated demand or to meet future demand when it arises.

The Company may experience additional expenditures related to unforeseen issues that have not been taken into account in the preparation of this AIF.

Additional financing

There is no guarantee that the Company will be able to execute on its business strategy. The continued development of the Company may require additional financing, and the failure to raise such capital could result in the delay or indefinite postponement of current business strategy or the Company ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares in the capital of the Company (the "**Common Shares**"). In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may contain provisions, which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

Client acquisition and retention

The Company's success depends on its ability to attract and retain patients. There are many factors which could impact the Company's ability to attract and retain patients, including but not limited to the Company's ability to continually produce desirable and effective product, the successful implementation of the Company's patient-acquisition plan and the continued growth in the aggregate number of patients selecting medical cannabis as a treatment option and other companies producing and supplying similar products. The Company's failure to acquire and retain patients would have a material adverse effect on the business, financial condition and operating results of the Company.

Research and development and product obsolescence

Rapidly changing markets, technology, emerging industry standards and frequent introduction of new products characterize the Company's business. The introduction of new products embodying new technologies, including new manufacturing processes, and the emergence of new industry standards may render the Company's products obsolete, less competitive or less marketable. The process of developing the Company's products is complex and requires significant continuing costs, development efforts and third party commitments. The Company's failure to develop new technologies and products and the obsolescence of existing technologies could adversely affect the business, financial condition and operating results of the Company. The Company may be unable to anticipate changes in its potential customer requirements that could make the Company's existing technology obsolete. The Company's success will depend, in part, on its ability to continue to enhance its existing technologies, develop new technology that addresses the increasing sophistication and varied needs of the market, and respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis. The development of the Company's proprietary technology entails significant

technical and business risks. The Company may not be successful in using its new technologies or exploiting its niche markets effectively or adapting its businesses to evolving customer or medical requirements or preferences or emerging industry standards.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the value of the Common Shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources, including the time and attention of management and available working capital. Litigation may also create a negative perception of the Company's brand. At this time, there is no outstanding litigation against the Company.

Product liability

As a manufacturer and distributor of products designed to be ingested by humans, the Company 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 cannabis 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 cannabis products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the products produced by the Company caused injury or illness, included inadequate instructions for use or included inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on the business, financial condition and operating results of the Company. There can be no assurances that the Company 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 products.

Product recalls

Manufacturers 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 produced by the Company are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company has detailed procedures in place for testing 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 products produced by the Company were subject to recall, the image of that product and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for products produced by The Company and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the operations of the Company by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Limited operating history

The Company has not generated significant profit or revenue in the periods covered by its most recent financial statements and, as a result, has only a very limited operating history upon which its business and future prospects may be evaluated. The Company is therefore subject to many of the risks common to early-stage enterprises, including challenges related to laws, regulations, licensing, integrating and retaining qualified employees; making effective use of limited resources; achieving market acceptance of existing and future solutions; competing against companies with greater financial and technical resources; acquiring and retaining customers; and developing new solutions. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Reliance on key inputs

The Company's business is dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Company. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Company.

Difficulty to forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the medical cannabis industry in Canada. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Operating risk and insurance coverage

The Company has insurance to protect its assets, operations and employees. While the Company believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company 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 Company may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Company 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 Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Conflicts of interest

The Company may be subject to various potential conflicts of interest because of the fact that some of

its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, The Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time to time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Regulatory risks

The successful execution of the Company's strategy is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of the Company's products. The commercial medical cannabis industry is a new industry and the Company cannot predict the impact of the compliance regime Health Canada is implementing for the Canadian medical cannabis industry. Similarly, the Company 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. The impact of Health Canada's compliance regime, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the business, financial condition and operating results of the Company.

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations 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, financial condition and operating results of the Company.

Change in laws, regulations and guidelines

The Company's operations are subject to various laws, regulations and guidelines relating to the manufacture, management, packaging/labelling, advertising, sale, transportation, storage and disposal of medical cannabis but also including laws and regulations relating to drug, controlled substances, health and safety, the conduct of operations and the protection of the environment. To the knowledge of the Company, other than routine corrections that may be required by Health Canada from time to time, the Company is currently in compliance with all such laws. Changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects to its operations.

Health Canada inspectors routinely assess the Company's facilities against applicable regulations and provide follow up reports noting any observed deficiencies. The Company is continuously reviewing and enhancing its operational procedures and facilities both proactively and in response to routine inspections. The Company follows all regulatory requirements in response to inspections in a timely manner.

The Company endeavours to comply with all relevant laws, regulations and guidelines. To the Company's knowledge, it is in compliance or in the process of being assessed for compliance with all such laws, regulations and guidelines as described elsewhere in this AIF.

Risks Related to the Company's Common Shares

Unpredictable and volatile market price for Common Shares

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Company operates;
- addition or departure of the Company's executive officers and other key personnel;
- release or expiration of escrow or other transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

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

A decline in the price of the Common Shares could affect the Company's ability to raise further working capital and adversely impact its ability to continue operations. A prolonged decline in the price of the Common Shares could result in a reduction in the liquidity of the Common Shares and a reduction in its ability to raise capital. Because a significant portion of the Company's operations have been and will be financed through the sale of equity securities, a decline in the price of the Common Shares could be especially detrimental to the Company's liquidity and its operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on the Company's business plan and operations, including its ability to develop new products and continue its current operations. If the price of the Common Shares declines, there can be no assurance that the Company will be able to raise additional capital or generate funds from operations sufficient to meet its

obligations.

No dividends

The Company's current policy is to retain earnings to finance the development and enhancement of its products and to otherwise reinvest in the Company. Therefore, the Company does not anticipate paying cash dividends on its Common Shares in the foreseeable future. The Company's dividend policy will be reviewed from time to time by its Board of Directors (the "**Board**") in the context of its earnings, financial condition and other relevant factors. Until the time that the Company pays dividends, which it might never do, the Company's shareholders will not be able to receive a return on their Common Shares unless they sell them.

Future sales of Common Shares by existing shareholders

Sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of the Company's Common Shares. Holders of options to purchase Common Shares will have an immediate income inclusion for tax purposes when they exercise their options (that is, tax is not deferred until they sell the underlying Common Shares). As a result, these holders may need to sell Common Shares purchased on the exercise of options in the same year that they exercise their options. This might result in a greater number of Common Shares being sold in the public market, and fewer long-term holds of Common Shares by the Company's directors and officers and its employees.

Dilution and future sales of Common Shares

The Company may issue additional Common Shares in the future, which may dilute the Company shareholders' holdings in the Company. The Company's articles of incorporation permits the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuances. The directors of the Company have the discretion to determine if an issuance of Common Shares is warranted, the price at which such issuance is effected and the other terms of issue of Common Shares. Also, the Company may issue additional Common Shares upon the exercise of options to acquire Common Shares under the Stock Option Plan (as defined below), which will result in further dilution to the Shareholders.

DIVIDENDS AND DISTRIBUTIONS

The Company has neither declared nor paid any dividends on its Common Shares since the date of its incorporation. Any payments of dividends on the Common Shares will be made in accordance with the CBCA, and will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which Board may consider appropriate under the circumstances. It is unlikely that the Company will pay dividends in the immediate or foreseeable future.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The holders of Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and are entitled to one vote in respect of each Common Share held at such meetings. The holders of Common Shares are entitled to receive dividends if, as and when declared by the Board. In the event of liquidation, dissolution or winding-up of the Company, the holders of Common Shares are entitled to share rateably in any distribution of the property or assets of the Company. As at May 31, 2018, 25,284,701 Common Shares were issued and outstanding.

Stock Options

The Company maintains a stock option plan (the "**Stock Option Plan**") for directors, officers, employees and consultants of the Company and its subsidiaries, which was established in November of 2010. As at May 31, 2018, options to purchase 1,910,000 Common Shares were issued and outstanding.

The purpose of the Stock Option Plan is to provide directors, executive officers, employees, consultants, and certain other persons ("**Eligible Persons**") who provide services to the Company and its subsidiaries, the opportunity to acquire an interest in the Company, to encourage them to work for the Company and to advance the interests and development of the Company through the purchase of its Common Shares. The Stock Option Plan is also in place to help attract new directors, officers and employees.

The following is a summary of the substantive terms of the Stock Option Plan:

- The maximum number of Common Shares reserved for issuance under the Stock Option Plan and all of the Company's other security based compensation arrangements at any given time is limited to 10% of the issued and outstanding share capital of the Company.

- The Board or, if applicable, a committee appointed by the Board, administers the Stock Option Plan, subject to the rules of the CSE, and except as provided for in the Stock Option Plan, the Board has the full authority to:

    (a) grant options to purchase Common Shares to Eligible Persons;

    (b) determine the time or times, when, and the manner in which, each option will be exercisable and the duration of the exercise period;

    (c) set the option price, provided the pricing is congruent with the Stock Option Plan; and

    (d) interpret the Stock Option Plan and to make such rules and regulations relating to the Stock Option Plan and establish such procedures as it may from time to time deem appropriate.

- Pursuant to the Stock Option Plan, the Board establishes the option price at the time of granting an option, provided that the option price is not less than the closing price of the Common Shares on the date prior to the date of grant of the stock options on the CSE, subject, in all cases, to the option pricing rules established by the CSE from time to time. Options may be granted for a maximum term of 5 years from the date of grant. Any option that is cancelled, terminated, surrendered or expires unexercised will be considered to be part of the pool of Common Shares available for options under the Stock Option Plan and may be granted.

- The Board may impose, at the time of granting an option under the Stock Option Plan vesting terms as to the maximum number of options that may be exercised by an option holder in each year or other period during the term of the option.

- All options granted under the Stock Option Plan are non-transferable and non-assignable.

- The Board may, from time to time and in its sole discretion, determine which of the Eligible Persons, if any, shall be awarded options. However, the following restrictions shall also apply to an option award:

    (a) the number of options issued to any one individual under the Stock Option Plan, within

any 12 month period, will not exceed 5% of the issued and outstanding Common Shares, on a non-diluted basis;

(b) the number of options which can be granted to insiders, in any 12 month period, will not exceed 10% of the issued and outstanding Common Shares, on a non-diluted basis;

(c) the number of options which can be granted to any one consultant under the Stock Option Plan in a 12 month period will not exceed 2% of the issued and outstanding Common Shares, on a non-diluted basis; and

(d) the aggregate number of options which can be granted to persons employed to provide investor relations services will not exceed 2% of the issued and outstanding Common Shares, on a non-diluted basis.

- All rights to exercise options will terminate upon the earliest of:

(a) the expiration date of the option;

(b) the date of termination of the option holder's employment or upon ceasing to be a director and/or officer of the Company up to a period not exceeding six (6) months thereafter for any cause other than by retirement, permanent disability or death unless the option holder was retained to provide investor relations activities, in which case up to a period not exceeding thirty (30) days thereafter;

(c) one (1) year after the date of the option holder's death, during which period the option may be exercised only by the option holder's legal representative or the person or persons to whom the deceased option holder's rights under the option shall pass by will or the applicable laws of descent and distribution, and only to the extent the option holder would have been entitled to exercise it at the time of his death if the employment of the option holder had been terminated by the Company on such date; and

(d) up to six (6) months after termination of the option holder's employment by permanent disability or retirement under retirement plan of the Company during which six (6) month period the option holder may exercise the option to the extent they were entitled to exercise it at the time of such termination provided that if the option holder dies within such six (6) month period, then such right shall be extended to six (6) months following the death of the option holder.

Warrants

As at May 31, 2018, the Company has warrants outstanding to purchase 1,471,544 Common Shares.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares were listed and posted for trading on the CSE under the trading symbol "TFS" until April 19, 2018. On April 20, 2018 they began trading on the CSE under the trading symbol "PILL". The following tables set forth the price range per share and trading volume for the Company on the CSE for the most recently completed financial year ended May 30, 2018, as well as the months up to the date of this AIF.

Trading Price and Volume – PILL

Month	High ($)	Low ($)	Volume
September 2018	$2.14	$0.63	7,766,485
August 2018	$0.70	$0.69	449,122
July 2018	$0.78	$0.60	783,050
June 2018	$0.88	$0.52	1,807,707
May 2018	$1.20	$0.72	2,892,517
April 20 to April 30, 2018	$1.14	$0.50	3,144,384

Trading Price and Volume – TFS

The sudden increase in the trading price and volume applicable to the shares of Old Telferscot from November 2017 to January 2018 was the result of several irregularities. Firstly, Old Telferscot and Old Canntab issued a news release on November 27, 2017, which announced that Old Telferscot intended to consolidate its shares on a 200 for 1 basis, and subsequently acquire Old Canntab by issuing its shareholders four post-consolidation shares of Old Telferscot for each one share of Old Canntab. A number of market participants appear to have misinterpreted or misread this news release, and did not take into account the anticipated consolidation in pricing their bids, which resulted in a significant overvaluation of Old Telferscot shares. Secondly, a number of market participants appear to have confused Old Canntab with another, similarly named, issuer which caused additional inflation to the price of Old Telferscot shares. The combined effect was that the price and volume of Old Telferscot shares were significantly inflated for reasons that had little to no bearing on Old Telferscot's business fundamentals.

Month	High ($)	Low ($)	Volume
April 1 to 19, 2018	-	-	-
March 2018	-	-	-
February 2018[(1)]	-	-	-
January 2018	$24	$9	47,087,559
December 2017	$11	$2	65,841,748
November 2017	$10	$2	18,446,064
October 2017	$2	$1	334,000
September 2017	$2	$2	480,00
August 2017	$3	$2	94,000
July 2017	$4	$3	91,000
June 2017	-	-	-

Notes:

1. The Common Shares were halted on January 15, 2018, and did not resume trading until April 20, 2018, following the completion of the Transaction, which constituted the Company's "fundamental change" within the meaning of the policies of the CSE.

Prior Sales

The following table summarizes the issuance of unlisted securities of the Company during the 12 month period preceding May 31, 2018.

Date of Issue	Number of Securities	Type of Securities Issued	Issuance / Exercise Price per Security
December 19, 2017	992,325	Subscription Receipts[(1)]	$4.00
December 29, 2017	259,589	Subscription Receipts[(1)]	$4.00
December 29, 2017	87,634	Finder Warrants[(2)]	$4.00
April 18, 2018	430,000	Options[(3)]	$1.00

Notes:

1. On December 19, 2017 and December 29, 2017, Old Canntab completed a private placement of 1,251,914 subscription receipts ("**Subscription Receipt**s") at a price of $4.00 per Subscription Receipt for gross proceeds of $5,007,656 (the "Offering"). Immediately prior to the closing of the Transaction, each Subscription Receipt converted, with no additional consideration or action by the holder, to one common share of Old Canntab, which were subsequently exchanged for four Common Shares pursuant to the Transaction.
2. On December 29, 2017, Old Canntab granted finder warrants to purchase up to 87,634 common shares of Old Canntab at a price of $4.00 per Old Canntab common share for a period of 24 months until December 29, 2019 to eligible finders in connection with the closing of the Offering. On a post-Transaction basis, there are 350,535 finder warrants outstanding, each exercisable into one Common Share at a price of $1.00.
3. On April 18, 2018, the Company granted 430,000 incentive stock options to certain of its directors, officers, employees and consultants. Each such option entitles the holder to acquire one Common Share for a period of three years at an exercise price of $1.00 per Common Share.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The following table sets out the Common Shares that are, to the Company's knowledge, held in escrow or that are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class as at May 31, 2018:

Designation of Class	Number of Securities Held in Escrow	Percentage of Class[(1)]
Common Shares	7,196,400[(2)]	28.46%

Notes:

1. Based on 25,284,701 Common Shares issued and outstanding as of May 31, 2018.
2. Pursuant to an escrow agreement entered into on the closing of the Transaction by certain shareholders, Capital Transfer Agency Inc. and the Company in connection with the Transaction, with 10% of such securities released on the closing of the Transaction, and 15% were to be released every six months thereafter over a period of thirty-six months.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

As of the date of this AIF, the following table sets out the name, province or state, and country of residence, positions and offices held with the Company, the period during which each director has served as a director and the principal occupations of each of the directors and executive officers. Directors of the Company hold office until the next annual meeting of shareholders or until their successors are duly elected or appointed.

As of the date of this AIF, the directors and executive officers of the Company as a group beneficially owned or controlled or directed, directly or indirectly, Common Shares representing approximately 31.62% of the outstanding Common Shares on a non-diluted basis.

Name, Province and Country of Residence, Position	Position Since	Number of Common Shares Beneficially Held[1]	Principal Occupation During Past Five Years
Jeff Renwick Chief Executive Officer and Director Ontario, Canada	April 11, 2018	3,838,000[4] 15.18%[2]	Mr. Renwick is the current CEO of the Company and the lead innovator behind the Company's key patent filings. Mr. Renwick's identification of the major failings produced by current Cannabinoid delivery methods led him to develop a suite of patents that underpin the Company's potential value. Mr. Renwick brings extensive experience in both drug formulation, business development, and monetization, from his time in business development at Indukern Chemie AG and his role as the former President and CEO of Orbus Pharma.
Richard Goldstein[3] Chief Financial Officer and Director Ontario, Canada	April 11, 2018	3,838,000[5] 15.18%[2]	Mr. Goldstein is the founder of First Republic Capital Corporation and the former EVP and Head of Investment Banking at Standard Securities. Mr. Goldstein has led and participated in the financing of numerous legal Cannabis companies providing him with a unique knowledge of the financial challenges in the industry, particularly as they pertain to taxation and cash management. Mr. Goldstein holds an MBA in finance from McMaster's DeGroote School of Business.
Barry Polisuk[3] Corporate Secretary, Director and Chair Ontario, Canada	April 11, 2018	320,000 1.27%[2]	Mr. Polisuk has been a partner with Garfinkle Biderman since 1997 and specializes in secured lending, real estate, and securities law. Mr. Polisuk represents a number of financial institutions including banks and trust companies, as well as private lenders, and has acted on behalf of issuers in IPOs, RTOs, and private placement transactions.
Vitor Fonseca[3] Director Ontario, Canada	April 11, 2018	0 0%[2]	Mr. Fonseca is the Vice President and Treasurer of Romspen Investment Corporation and is the former Audit Committee Chair of Mission Ready Services. Prior to joining the Company, Mr. Fonseca was the former Audit Committee Chair of Enwave Energy Corporation.

Notes:

1. The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective directors and officers.
2. Based on 25,284,701 Common Shares issued and outstanding as of May 31, 2018.
3. Member of the audit committee.
4. 3,038,000 Common Shares are held by Standard Biochem Inc., a company controlled by Mr. Renwick.
5. 3,038,000 Common Shares are held by the Richard Goldstein Family Trust, a discretionary trust controlled by Richard Goldstein.
6. Mr. Goldstein, who was appointed to fill a vacancy on the Company's audit committee following the resignation of the Company's former director, Sheldon Inwentash, in June 2018, is not independent (as defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The Company is relying on the exemption found in s. 3.5 of NI 52-110, which allows Mr. Goldstein to act as a member of the audit committee until the Company's next annual meeting.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the knowledge of the Company, no director is, as at the date of this Annual Information Form, or has been, within the 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

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

Bankruptcies, Penalties and Sanctions

To the knowledge of the Company, no director, executive officer or shareholder:

(a) is, as at the date of this Annual Information Form, or has been within the 10 years before the date of the AIF, a director or executive officer of any company (including the company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(b) has, within the 10 years before the date of this Annual Information Form, 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 the director, executive officer or shareholder; or

(c) has been subject to:

i. 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

ii. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Some of the directors or officers of Company or those who may be considered promoters of the Company 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 Company, notwithstanding that they will be bound by the provisions of the CBCA to act at all times in good faith in the interest of the Company and to disclose such conflicts to the Company if and when they arise. To the best of its knowledge, the Company is not aware of the existence of any conflicts of interest between the Company and any of its directors and officers as of the date of this AIF. The shareholders of the Company must appreciate that they will be required to rely on the judgment and good faith of its directors and officers, as well as on the judgment and good faith of the directors and officers of the Company, in resolving any conflicts of interest that may arise.

PROMOTERS

Jeff Renwick and Richard Goldstein may be considered promoters (within the meaning of applicable securities laws) of the Company, as they took the initiative in founding the business of the Company. The number of Common Shares held by Messrs. Renwick and Goldstein as of the date of this AIF and the corresponding percentage of outstanding Common Shares are set out above, see "*Directors and Officers*".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not, and was not during the most recently completed financial year, or from the end of the most recently completed financial year to the date of this AIF, a party to, nor was any of its property the subject of, any legal proceedings or regulatory actions material to the Company, and no such proceedings or actions are known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Company or any shareholder holding, of record or beneficially, directly or indirectly, more than 10% of the issued Common Shares, or any of their respective associates or affiliates, had any material interest, directly or indirectly, in any material transaction with the Company within the three years preceding the date of this AIF or in any proposed transaction, which has materially affected or would materially affect Company.

TRANSFER AGENTS AND REGISTRARS

Capital Transfer Agency, ULC., 401 - 121 Richmond St. West, Toronto ON M5H 2K1 is the transfer agent and registrar for the Common Shares of the Company.

MATERIAL CONTRACTS

The Company has no material contracts, other than those entered into in the ordinary course of business or as disclosed herein, see "*General Development of the Business – Three Year History*".

INTERESTS OF EXPERTS

The auditors of the Corporation, MNP LLP, are independent with respect to the Company, in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

SCHEDULE A

AUDIT COMMITTEE DISCLOSURE

Audit Committee Information Required for Venture Companies

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") requires that certain information regarding the Audit Committee of an issuer be included in the issuer's Annual Information Form.

Audit Committee Mandate

The Audit Committee is a committee of the Board established for the purpose of overseeing the accounting and financial reporting processes of the Company and annual external audits of the consolidated financial statements. The Audit Committee has formally set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Company's internal accounting standards and practices, financial information, accounting systems and procedures. See Appendix "A" hereto for a copy of the Audit Committee Charter of the Company.

Composition of the Audit Committee

The Audit Committee currently consists of Vitor Fonseca, Barry Polisuk and Richard Goldstein. Mr. Fonseca has been determined to be "independent" and all members are considered to be "financially literate" (as such terms are defined in NI 52-110).

Relevant Education and Experience of Audit Committee Members

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements;

(b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting.

Barry Polisuk

Barry has been a partner with Garfinkle Biderman since 1997 and specializes in secured lending, real estate, and securities law. Barry represents a number of financial institutions including banks and trust companies, as well as private lenders, and has acted on behalf of issuers in IPOs, RTOs, and private placement transactions.

Vitor Fonseca

Vitor is the Vice President and Treasurer of the Romspen Investment Corporation and is the current Audit Committee Chair of Mission Ready Services. Prior to joining the Company, Vitor was the former Audit Committee Chair of Enwave Energy Corporation.

Richard Goldstein

Richard is the founder of First Republic Capital and the former EVP and Head of Investment Banking at Standard Securities. Richard has led and participated in the financing of numerous legal Cannabis companies providing him with a unique knowledge of the financial challenges in the industry, particularly as they pertain to taxation and cash management. Richard holds an MBA in finance from McMaster's DeGroote School of Business.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Certain Exemptions

Since the Company is a Venture Company pursuant to applicable Canadian securities legislation, it is relying upon the exemption provided for at section 6.1 of NI 52-110 in respect of the composition of the Audit committee.

Since the commencement of the Company's most recently completed financial year, the Company has also been relying on the exemption provided for in section 3.5 of NI 52-110 (see "*Directors and Officers*").

Pre-Approval Policies and Procedures

The Audit Committee's charter provides that that Audit Committee must approve all non-audit services to be provided by the Company's external auditor to the Company or a subsidiary for the Company.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Company by its external auditor during each of the last two fiscal years, exclusive of applicable HST.

Year ended May 31,	Audit Fees[(1)]	Audit-Related Fees[(2)]	Tax Fees[(3)]	All Other Fees[(4)]
2018	$48,710	$8,560	$2,728	$8,560
2017	$24,610	Nil	$Nil	Nil

Notes:

1. The aggregate fees billed for audit services.
2. The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit Fees" column.
3. The aggregate fees billed for tax compliance, tax advice, and tax planning services.
4. The aggregate fees billed for professional services other than those listed in the other three columns.

APPENDIX A TO SCHEDULE A
AUDIT COMMITTEE CHARTER

CANNTAB THERAPEUTICS LIMITED
AUDIT COMMITTEE CHARTER

The overall purpose of the Audit Committee (the "**Committee**") of the Board of Directors of Canntab Therapeutics Limited (the "**Corporation**") will be to carry out the functions associated with an audit committee of an issuer of the size and nature of the Corporation. The purpose of the Committee is to ensure that the Corporation's management has designed and implemented an effective system to review and report on the integrity of the consolidated financial statements, operational and financial risk management sand internal controls of the Corporation. The Committee will also review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts with respect to such matters. As part of this mandate, the Committee shall take all necessary steps to ensure compliance by the Corporation with all laws and regulatory policies, rules, regulations and instruments pertaining to audit and financial reporting that are applicable to the Corporation from time to time (the "**Applicable Laws**").

COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of not less than three members of the Board of Directors of the Corporation (the "**Board**"), of whom:

    a. must meet any independence tests; and

    b. must satisfy any financial literacy or other competency standards

as set out under Applicable Laws, except as may be allowed under any applicable exemptions provided for under Applicable Laws or any exemption orders obtained from applicable regulatory authorities.

2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair (the "**Chair**") from amongst their number.

4. The Secretary of the Corporation shall be the secretary of the Committee, unless otherwise determined by the Committee.

5. The quorum for meetings shall be a majority of the members (the "**Members**") of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

6. The Committee shall have access to such officers and employees of the Corporation and of the other consolidated subsidiaries of the Corporation, and to the Corporation's external auditors and to such information respecting the Corporation, as the Committee considers to be necessary or advisable in order to perform its duties and responsibilities.

7. Meetings of the Committee shall be conducted as follows:

    a. the Committee shall meet at least six times annually at such times and at such locations as may be requested by the Chair. The Corporation's external auditors or any member of the Committee may request a meeting of the Committee;

    b. the Corporation's external auditors shall receive notice of and have the right to attend all meetings of the Committee; and

    c. the Chief Executive Officer and the Chief Financial Officer of the Corporation shall be invited to attend all meetings of the Committee, except executive sessions and private sessions with the external auditors. Other management representatives of the Corporation shall be invited to attend as necessary.

8. The internal auditors of the Corporation (if any) and the external auditors of the Corporation shall have a direct line of communication to the Committee through the Chair. The Corporation shall require the external auditors of the Corporation to report directly to the Committee. The internal auditor (if any) shall report directly and solely to the Chair of the Audit Committee.

DUTIES AND RESPONSIBILITIES

9. The overall duties and responsibilities of the Committee shall include:

    a. assisting the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and approving the Corporation's annual and quarterly consolidated financial statements;

    b. establishing and maintaining a direct line of communication with the Corporation's internal (if any) and external auditors and assessing their performance;

    c. ensuring that the management of the Corporation has designed, implemented and is maintaining an effective system of internal controls for the Corporation; and

    d. reporting regularly to the Board on the fulfilment of the duties and responsibilities of the Committee.

10. The duties and responsibilities of the Committee as they relate to the external auditors shall include:

    a. recommending to the Board a firm of external auditors to be engaged by the Corporation;

    b. reviewing and approving the fee, scope and timing of the audit and other related services rendered by the external auditors;

    c. overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management of the Corporation and the external auditor regarding financial reporting;

d. reviewing the audit plan of the external auditors prior to the commencement of the audit;

e. reviewing with the external auditors, upon completion of their audit:

(i) contents of their report;

(ii) scope and quality of the audit work performed;

(iii) adequacy of the Corporation's financial and auditing personnel;

(iv) co-operation received from the Corporation's personnel during the audit;

(v) internal resources used;

(vi) significant transactions outside of the normal business of the Corporation; and

(vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems.

f. pre-approving all, non-audit services to be provided to the Corporation by the Corporation's external auditor in accordance with Applicable Laws.

11. The Committee shall hold meetings with the external auditors at least once a year without the presence of management of the Corporation prior the approval of the audited annual financial statements of the Corporation and at such other times as determined necessary or appropriate by the Committee.

12. The duties and responsibilities of the Committee as they relate to the Corporation's internal auditors (if any) shall include:

a. periodically reviewing the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;

b. reviewing and approving the internal audit plan; and

c. reviewing significant internal audit findings and recommendations, and management's response thereto.

13. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:

a. ensure adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures;

b. review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

c. review compliance with any business conduct policy that the Corporation may put in place and periodically review this policy and recommend to the Board changes which the Committee may deem appropriate;

d. review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and

e. periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

14. The Committee is also charged with the responsibility to:

a. review and approve the Corporation's financial statements (annual and interim) and MD&A (annual and interim) as well as the financial sections of prospectuses and other public reports requiring approval by the Board before such documents are publicly disclosed by the Corporation;

b. review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;

c. review the minutes of any audit committee meeting of associated companies, partnerships or trusts;

d. review with management, the external auditors and if necessary with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material affect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;

e. establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;

f. establish procedures for the confidential, anonymous submission by employees of the Corporation or any other consolidated subsidiary of the Corporation of concerns regarding questionable accounting or auditing matters;

g. review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation; and

h. develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders.

15. The Committee has the authority:

a. to engage independent counsel and other advisors as it determines necessary to carry out its duties; and
b. to set and pay the compensation for any advisors employed by the Committee.