

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus supplement, together with the short form base shelf prospectus dated July 18, 2019 to which it relates, as amended or supplemented, and each document incorporated or deemed to be incorporated by reference herein and therein, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*Information has been incorporated by reference in this prospectus supplement from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of The Yield Growth Corp. at Suite 200, 1238 Homer Street, Vancouver, British Columbia, Canada V6B 2Y5, telephone: 604 617-7979 and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## PROSPECTUS SUPPLEMENT

New Issue

May 5, 2020

# THE YIELD GROWTH CORP.

The Yield Growth Corp.

5,000,000 Units

This prospectus supplement (the "Prospectus Supplement") qualifies the distribution (the "Distribution") of 5,000,000 units (the "Units") of The Yield Growth Corp. ("Yield Growth", the "Company", "us" or "we"), with each Unit being comprised of one common share of the Company (each, a "Common Share") and one share purchase warrant of the Company (each, a "Warrant"). The Units will be issued only to those holders of 5,000,000 special warrants issued by the Company on May 1, 2020 upon the deemed exercise thereof for no additional consideration (the "Special Warrants"). Each Warrant is exercisable into one common share of the Company (each, a "Warrant Share") at an exercise price of \$0.13 (the "Exercise Price") per Warrant Share at any time prior to 4:00 p.m. (Vancouver Time) on May 1, 2021. The Units will not be certificated and will immediately separate into Common Shares and Warrants upon issuance.

In addition, this Prospectus Supplement qualifies the Distribution of such indeterminate number of additional Securities that may be issuable by reason of the anti-dilution provisions contained in the warrant certificates governing the Warrants (each, a "Warrant Certificate"). **NO UNDERWRITER HAS BEEN INVOLVED IN THE PREPARATION OF, OR HAS PERFORMED ANY REVIEW OF, THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS.**

Investing in the Common Shares involves significant risks. Investors should carefully consider the risk factors described under "Risk Factors" on page 20 of the accompanying short form base shelf prospectus dated July 18, 2019 (the "Prospectus").

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that we are incorporated or organized under the laws of a foreign country, that some or all of our officers and directors may be residents of a foreign country, that some or all of the underwriters or experts named in this Prospectus Supplement may be residents of

a foreign country and that all or a substantial portion of the assets of the Company and said persons may be located outside the United States.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC") NOR HAS THE SECURITIES COMMISSION OF ANY STATE OF THE UNITED STATES OR ANY CANADIAN SECURITIES REGULATOR APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Investors should be aware that the acquisition, holding or disposition of the Securities described herein may have tax consequences. You should consult your own tax advisor with respect to your own particular circumstances.

The financial information of the Company contained in the documents incorporated by reference herein are presented in Canadian dollars. In this Prospectus, references to "\$" and "C\$" are to Canadian dollars and references to US\$ are United States dollars.

Our head office and registered office is located at Suite 200, 1238 Homer Street, Vancouver, British Columbia, Canada V6B 2Y5.

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#### IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the Securities the Company is offering and also adds to and updates information contained in the accompanying Prospectus and the documents incorporated by reference into this Prospectus Supplement and the Prospectus. The second part, the Prospectus, gives more general information, some of which may not apply to the Company's Units and Common Shares and Warrants comprising the Units being offered hereunder. Defined terms or abbreviations used in this Prospectus Supplement that are not defined herein have the meanings ascribed thereto in the Prospectus. This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Prospectus solely for the purpose of the Distribution. If information in this Prospectus Supplement is inconsistent with the accompanying Prospectus or the information incorporated by reference, you should rely on this Prospectus Supplement. You should read both this Prospectus Supplement and the accompanying Prospectus together.

Unless otherwise noted or the context otherwise indicates, "Yield Growth", the "Company", "us" or "we" refer to The Yield Growth Corp. and its subsidiaries.

You should rely only on the information contained in or incorporated by reference in this Prospectus Supplement and the Prospectus. We have not authorized anyone to provide investors with additional or different information. The information contained on *yieldgrowth.com* is not included in or incorporated by reference into this Prospectus Supplement or the Prospectus and prospective investors should not rely on such information when deciding whether or not to invest in the Securities. Any graphs, tables or other information demonstrating our historical performance or of any other entity contained in this Prospectus Supplement or the Prospectus or the information incorporated by reference in this Prospectus Supplement or the Prospectus are intended only to illustrate past performance and are not necessarily indicative of our future performance or that of any other entity. The Company is not making an offer to sell the Units in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this Prospectus Supplement, the Prospectus or any documents incorporated by reference into the Prospectus, is accurate as of any date other than the date on the front of those documents, as the Company's business, operating results, financial condition and prospects may have changed since that date. You should rely only on the information contained in this Prospectus Supplement or incorporated by reference into the Prospectus.

This Prospectus Supplement and the information incorporated herein by reference include certain trade names and trademarks which are protected under applicable intellectual property laws and are our property. Solely for convenience, our trademarks and trade names referred to in this Prospectus Supplement may appear without the ® or ™ symbol, but such references are not intended to indicate, in

any way, that we will not assert, to the fullest extent possible under applicable law, our rights to these trademarks and trade names.

## FORWARD-LOOKING INFORMATION

This Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein contain certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") which are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. Such statements can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", or "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance or other statements that are not statements of fact. Such forward-looking statements are made as of the date of this Prospectus Supplement, the Prospectus or the documents incorporated by reference herein, as of the date of each such document.

Forward looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Management believes that the assumptions and expectations reflected in such forward looking statements are reasonable. Assumptions have been made regarding, among other things:

- plans regarding our revenue, expenses and operations;
- plans regarding the effective marketing and sale of our products;
- our ability to build and operate an e-commerce website that allows for the purchase of our products;
- our anticipated cash needs and our need for additional financing;
- plans regarding the timeline for the initial retail release of our products;
- our ability to pass all regulatory testing, with Health Canada or otherwise, to ensure the timely ability to sell and license our products;
- our ability to protect, maintain and enforce intangible property rights;
- plans for and timing of expansion of solutions and products;
- future growth plans and the ability to meet our business objectives;
- the acceptance by customers and the marketplace of new products and solutions;
- ability to attract new customers and develop and maintain existing customers;
- our ability to license the products internationally by jurisdictions;
- ability to attract and retain personnel;
- expectations with respect to advancement and adoption of new product lines and ingredients;

- competitive position and expectations regarding competition; and
- anticipated trends and challenges in our business and the markets in which we operate.

Forward-looking statements contained in or incorporated by reference in this Prospectus Supplement or the Prospectus are based on the assumptions described in this Prospectus Supplement or the Prospectus. Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management, at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements, including risks related to: fluctuations in the currency markets; changes in interest rates; disruption to the credit markets and delays in obtaining financing; inflationary pressures; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in the United States and Canada, or other countries in which the Company may carry on business; business opportunities that may be presented to, or pursued by the Company; operating or technical difficulties in connection with business activities; the possibility of cost overruns or unanticipated expenses; employee relations; the risks of obtaining and renewing necessary licenses and permits; and the occurrence of natural disasters, hostilities, acts of war or terrorism; the Company may never pay any dividends. The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted under the heading "Risk Factors" on page 20 of the Prospectus.

Forward-looking statements contained in or incorporated by reference in this Prospectus Supplement or the Prospectus are based on the assumptions described in this Prospectus Supplement or the Prospectus. Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, but are not limited to: the limited operating history of the Company's cannabis business; risks related to the Company's cannabis business and the cannabis industry generally; the laws, regulations and guidelines generally applicable to the cannabis industry in Canada and other countries may change in ways that impact the Company's ability to continue its business as currently conducted or proposed to be conducted; adverse changes or developments affecting any of the Company's facilities may have an adverse impact on the Company; the Company may not be able to complete the expansion and conversion of its facilities on its anticipated timelines; the Company may not be able to cultivate the expected ratio of dried cannabis per square foot of facility space; the Company may encounter delays in having its expanded facilities inspected by Health Canada; the growth capital expenditures necessary to expand and convert the Company's facilities may be higher than expected; the competitive environment in the cannabis industry could change as a result of the rapid growth and consolidation of the industry generally; the Company may not be able to secure adequate financing; risks related to environmental regulation of the Company's operations; the risk of litigation related to intellectual property rights, product liability claims and other lawsuits and regulatory actions; and the expected growth in the amount of medical and adult-use recreational cannabis sold by the Company.

These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully by prospective purchasers of the Securities. More detailed assessment of the risks that could cause actual events or results to materially differ from our current expectations can be found and under the heading "Risk Factors" on page 20 of the Prospectus.

A number of factors could cause actual events, performance or results to differ materially from what is projected in forward-looking statements. The purpose of forward-looking statements is to provide the reader with a description of management's expectations, and such forward-looking statements may not be appropriate for any other purpose. You should not place undue reliance on forward-looking statements

contained in this Prospectus Supplement, the Prospectus or in any document incorporated by reference herein. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements contained in this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein are expressly qualified in their entirety by this cautionary statement.

#### DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus as of the date hereof and only for the purposes of the Distribution. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full details. See "Where You Can Find More Information" in the Prospectus.

Information has been incorporated by reference in this Prospectus Supplement from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of The Yield Growth Corp. at Suite 200, 1238 Homer Street, Vancouver, British Columbia, Canada V6B 2Y5, telephone: 604.617.7979 and are also available electronically at [www.sedar.com](http://www.sedar.com).

Under the short form prospectus system adopted by the securities commissions and other regulatory authorities in each of the provinces and territories of Canada, we are permitted to incorporate by reference the information we file with securities commissions in Canada, which means that we can disclose important information to you by referring you to those documents. Our following documents, filed with the various securities commissions or similar authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this Prospectus Supplement:

- (a) our annual information form dated April 13, 2020 for the year ended November 30, 2019 (the "AIF");
- (b) our audited annual consolidated financial statements for the fiscal years ended November 30, 2019 and 2018, together with the notes thereto and the independent auditors' report thereon;
- (c) our management's discussion and analysis for the fiscal years ended November 30, 2019 and 2018 (the "Annual MD&A");
- (d) our unaudited interim condensed consolidated financial statements for the three months ended February 29, 2020 and February 28, 2019;
- (e) our management's discussion and analysis for the three months ended February 29, 2020 and February 28, 2019 (the "Q1 MD&A");
- (f) our management information circular dated April 3, 2019 prepared in connection with the annual meeting of the shareholders of the Company held on May 9, 2019;
- (g) our material change report dated July 18, 2019 respecting the appointment of Tamara Melck as Chief Operating Officer of the Company;
- (h) our material change report dated December 21, 2018 in respect of the Company's initial public offering of Common Shares which closed on December 13, 2018 (the "IPO") the

commencement of trading of the Common Shares on the CSE, and certain board appointments; and

- (i) our material change report dated December 10, 2019 respecting the resignation of Krystal Pineo as a Director of the Company on November 21, 2019.

Any documents of the type referred to in Item 11.1 of Form 44-101F1 of National Instrument 44-101 - *Short Form Prospectus Distributions* to be incorporated by reference in a Prospectus Supplement, including those types of documents referred to above and press releases issued by Yield referencing incorporation by reference into this prospectus supplement, if filed by Yield with the provincial securities commissions or similar authorities in Canada after the date of this Prospectus Supplement and prior to the completion or termination of the Distribution shall be deemed to be incorporated by reference into this Prospectus Supplement for purposes of the Distribution. Documents referenced in any of the documents incorporated by reference in this Prospectus Supplement but not expressly incorporated by reference therein or herein and not otherwise required to be incorporated by reference therein or in this Prospectus Supplement are not incorporated by reference in this Prospectus Supplement. These documents are available through the internet on SEDAR which can be accessed at [www.sedar.com](http://www.sedar.com)

Any statement contained in this Prospectus Supplement or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for the purposes of this Prospectus Supplement, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not constitute a part of this Prospectus Supplement, except as so modified or superseded.

#### UPDATED COMPANY INFORMATION

The Company is a majority shareholder of NeonMind Biosciences Inc. (formerly named Flourish Mushroom Labs Inc.), which is an early stage business dedicated primarily to mushroom-related products.

#### CONSOLIDATED CAPITALISATION

Designation of Security	Number authorized to be issued	Outstanding at February 29, 2020	Outstanding at the date of this Prospectus Supplement	Outstanding after giving effect to the Distribution
Common Shares	Unlimited	116,248,845	125,096,470	125,096,470
Common Shares reserved for issuance upon exercise of Warrants	Unlimited	32,472,481	41,181,874	41,181,874



Common Shares reserved for issuance upon exercise of Options	Maximum 20% of the issued and outstanding Common Shares of the Company	14,390,328	15,883,328	15,883,328
Common Shares issued as part of the Units	Unlimited	Nil	Nil	5,000,000
Common Shares reserved for issuance upon exercise of Warrants of the Units	Unlimited	Nil	Nil	5,000,000
Common Shares reserved for issuance upon exercise of Finder's Warrants	Unlimited	355,560	355,560	355,560
<b>Total Fully Diluted Capitalization</b>		<b>163,467,214</b>	<b>182,517,232</b>	<b>192,517,232</b>

The above table sets out the consolidated capitalization of the company as of February 29, 2020, both before and after giving effect to the Distribution. Other than the Securities distributed pursuant to the Company's prospectus supplements dated March 11, 2020 and April 7, 2020 and as set out herein under "Prior Sales", there has not been any material change in the share and loan capital of the company, on a consolidated basis, since our unaudited interim condensed consolidated financial statements for the three months ended February 29, 2020 (the "Interim Financial Statements"). The table above should be read in conjunction with the Interim Financial Statements and the related management's discussion and analysis thereof, incorporated in each case by reference in this Prospectus Supplement.

#### DESCRIPTION OF SECURITIES OFFERED UNDER THIS PROSPECTUS SUPPLEMENT

##### Common Shares

For a description of the Company's Common Shares, refer to page 6 of the Prospectus.

##### Warrants

The Warrants issued under the Distribution will be governed by the Warrant Certificate to be issued by the Company to the Investor. The following description is subject to the detailed provisions of the Warrant Certificate. Reference should be made to the Warrant Certificate for the full text of attributes of the Warrants.

The Units will not be certificated and the Common Shares and the Warrants comprising the Units will separate immediately upon the issuance of the Units. Each Warrant will entitle the holder to acquire one Warrant Share at an exercise price of \$0.13 until 4:00 p.m. (Vancouver Time) on May 1, 2021, after which time the Warrants will be void and of no value.

The Warrants will be issued only in certificated form and may be exercised by the holder thereof by such holder submitting the subscription form attached to the Warrant Certificate to the Company.

The Warrant Certificate will provide that the share ratio and exercise price of the Warrants will be subject to adjustment, as applicable, in the event of: (i) a subdivision, consolidation or distribution of Common Shares (or securities exchangeable therefor) to substantially all of the holders of Common Shares of the Company; (ii) an issuance of rights, options or warrants (a "Rights Offering") to substantially all of the holders of the Common Shares of the Company; (iii) a distribution to substantially all of the holders of Common Shares of the Company (a) securities of any class, (b) rights, options or warrants (other than pursuant to a Rights Offering), (c) evidence of indebtedness, (d) any property or other assets; and (iv) a capital reorganization or a consolidation, amalgamation, arrangement or merger of the Company with or into another entity.

No adjustment of the Exercise Price will be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price.

The Warrant Certificate will also provide that, during the period in which the Warrants are exercisable, it will give notice to holders of its intention to fix a record date for any of the foregoing adjustments not less than 14 days prior to such record date.

There is no market through which the Warrants may be sold and purchasers may not be able to resell securities distributed under this Prospectus Supplement. This may affect pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. See "Risk Factors" on page 20 of the Prospectus.

Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of Common Shares issuable upon exercise of the Warrants.

#### PLAN OF DISTRIBUTION

The Units to which this Prospectus Supplement relates will be distributed directly by the Company to the holders of the Special Warrants, in accordance with the terms of the certificates thereof. No securities will be issued to any person other than the holders of the Special Warrants.

No underwriting discounts or commissions will be paid with respect to these distributions.

The Common Shares of the Company are listed on the CSE, and the Company has applied to list on the CSE the Common Shares comprising the Units and the Common Shares issuable upon the exercise of the Warrants. Listing of the Common Shares will be subject to the Company fulfilling all of the listing requirements of the CSE.

The Warrants will not be listed for trading on any securities exchange.

The exercise price of the Warrants was determined by the board of directors based on the market price of the Common Shares of the Company.

#### PRIOR SALES

In the 12 months prior to the date of this Prospectus Supplement, the Company has issued the following securities:

Date of Grant/Issuance	Price Per Security (\$)	Number of Securities Issued
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*Common Shares:*

May 6, 2019	\$0.50	50,000 <sup>1</sup>
May 9, 2019	\$0.50	40,000 <sup>2</sup>
May 28, 2019	\$0.50	1,000,000 <sup>3</sup>
September 16, 2019	\$0.15	50,000 <sup>4</sup>
September 20, 2019	\$0.15	100,000 <sup>5</sup>
October 3, 2019	\$0.27	120,000 <sup>6</sup>
October 7, 2019	\$0.15	20,000 <sup>7</sup>
January 10, 2020	\$0.10	50,000 <sup>8</sup>
January 20, 2020	\$0.195	666,666 <sup>9</sup>
January 22, 2020	\$0.195	500,000 <sup>10</sup>
January 24, 2020	\$0.195	400,000 <sup>11</sup>
January 24, 2020	\$0.10	50,000 <sup>12</sup>
January 29, 2020	\$0.195	136,000 <sup>13</sup>
January 31, 2020	\$0.195	500,000 <sup>14</sup>
February 4, 2020	\$0.195	280,666 <sup>15</sup>
February 10, 2020	\$0.25	313,000 <sup>16</sup>
February 14, 2020	\$0.28	226,071 <sup>17</sup>

<sup>1</sup> Issued pursuant to an option exercise at a price of \$0.50 per common share.

<sup>2</sup> Issued pursuant to an option exercise at a price of \$0.50 per common share.

<sup>3</sup> Issued pursuant to a warrant exercise at a price of \$0.50 per common share.

<sup>4</sup> Issued pursuant to an option exercise at a price of \$0.15 per common share.

<sup>5</sup> Issued pursuant to an option exercise at a price of \$0.15 per common share.

<sup>6</sup> Issued pursuant to the mushroom formula agreement dated September 20, 2019 at a deemed price of \$0.27 per common share.

<sup>7</sup> Issued pursuant to an option exercise at a price of \$0.15 per common share.

<sup>8</sup> Issued pursuant to an option exercise at a price of \$0.10 per common share.

<sup>9</sup> Issued pursuant to a warrant exercise at a price of \$0.195 per common share.

<sup>10</sup> Issued pursuant to a warrant exercise at a price of \$0.195 per common share.

<sup>11</sup> Issued pursuant to a warrant exercise at a price of \$0.195 per common share.

<sup>12</sup> Issued pursuant to an option exercise at a price of \$0.10 per common share.

<sup>13</sup> Issued pursuant to a warrant exercise at a price of \$0.195 per common share.

<sup>14</sup> Issued pursuant to a warrant exercise at a price of \$0.195 per common share.

<sup>15</sup> Issued pursuant to a warrant exercise at a price of \$0.195 per common share.

<sup>16</sup> Issued pursuant to a warrant exercise at a price of \$0.25 per common share.

<sup>17</sup> Issued pursuant to a warrant exercise at a price of \$0.28 per common share.

February 25, 2020	\$0.10	20,000 <sup>18</sup>
March 18, 2020	\$0.26	7,000 <sup>19</sup>

*Units:*

May 7, 2019	\$0.62	5,375 <sup>20</sup>
May 7, 2019	\$0.62	32,258 <sup>14</sup>
May 31, 2019	\$0.743	40,000 <sup>21</sup>
May 31, 2019	\$0.50	414,288 <sup>15</sup>
May 31, 2019	\$0.743	30,000 <sup>22</sup>
June 7, 2019	\$0.36	91,219 <sup>23</sup>
July 11, 2019	\$0.38	52,628 <sup>24</sup>
August 21, 2019	\$0.30	5,914,933 <sup>25</sup>
September 11, 2019	\$0.30	1,707,332 <sup>26</sup>
September 25, 2019	\$0.25	1,400,000 <sup>27</sup>
October 17, 2019	\$0.25	2,090,500 <sup>28</sup>
October 22, 2019	\$0.30	212,560 <sup>29</sup>
November 14, 2019	\$0.30	1,833,404 <sup>30</sup>

<sup>18</sup> Issued pursuant to an option exercise at a price of \$0.10 per common share.

<sup>19</sup> Issued pursuant to a warrant exercise at a price of \$0.26 per common share.

<sup>20</sup> Issued to settle debt for services. These services were originally payable in cash or units. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable to purchase one common share of the Company at \$0.62 per share for a period of 1 year from the date of issuance.

<sup>21</sup> Issued to settle debt for services. These services were originally payable in cash or units. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable to purchase one common share of the Company at \$0.57 per share for a period of 1 year from the date of issuance.

<sup>22</sup> Issued for the acquisition of edible product formulas. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable to purchase one common share of the Company at \$0.57 per share for a period of 1 year from the date of issuance.

<sup>23</sup> Issued to settle debt for services. These services were originally payable in cash or units. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable to purchase one common share of the Company at \$0.40 per share for a period of 12 months from the date of issuance.

<sup>24</sup> Issued to settle debt for services. These services were originally payable in cash or units. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable to purchase one common share of the Company at \$0.40 per share for a period of 12 months from the date of issuance.

<sup>25</sup> Issued pursuant to the conversion of Special Warrants issued on August 7, 2019 as detailed in the prospectus supplement dated August 15, 2019.

<sup>26</sup> Issued pursuant to the conversion of Special Warrants issued on August 30, 2019 as detailed in the prospectus supplement dated September 6, 2019.

<sup>27</sup> Issued pursuant to the conversion of Special Warrants issued on September 13, 2019 as detailed in the prospectus supplement dated September 20, 2019.

<sup>28</sup> Issued pursuant to the conversion of Special Warrants issued on October 7, 2019 as detailed in the prospectus supplement dated October 11, 2019.

<sup>29</sup> Issued pursuant to the exercise of Finder's Unit Warrants at a price of \$0.30 per Finder's Unit Warrant.

<sup>30</sup> Issued pursuant to the conversion of Special Warrants issued on October 30, 2019 as detailed in the prospectus supplement dated November 8, 2019.

November 22, 2019	\$0.25	1,810,000 <sup>31</sup>
December 10, 2019	\$0.20	1,262,500 <sup>32</sup>
December 31, 2019	\$0.25	1,000,000 <sup>33</sup>
January 3, 2020	\$0.25	1,731,291 <sup>34</sup>
January 14, 2020	\$0.15	2,483,332 <sup>35</sup>
February 14, 2020	\$0.28	226,071 <sup>36</sup>
February 25, 2020	\$0.20	1,363,300 <sup>37</sup>
March 16, 2020	\$0.16	3,840,625 <sup>38</sup>
April 16, 2020	\$0.13	5,000,000 <sup>39</sup>

*Options to purchase  
Common Shares:*

May 7, 2019	\$0.62	80,000
May 13, 2019	\$0.57	125,028
May 22, 2019	\$0.58	1,000,000
June 24, 2019	\$0.335	70,000
July 17, 2019	\$0.38	620,000
September 4, 2019	\$0.29	48,000
September 12, 2019	\$0.27	40,000
October 10, 2019	\$0.25	148,000
October 21, 2019	\$0.34	600,000
November 28, 2019	\$0.28	336,000

<sup>31</sup> Issued pursuant to the conversion of Special Warrants issued on November 19, 2019 as detailed in the prospectus supplement dated November 22, 2019.

<sup>32</sup> Issued pursuant to the conversion of Special Warrants issued on December 6, 2019 as detailed in the prospectus supplement dated December 10, 2019.

<sup>33</sup> Issued pursuant to a non-brokered private placement. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable to purchase one common share of the Company at \$0.265 per share for a period of one 1 year from the date of the issuance.

<sup>34</sup> Issued pursuant to the conversion of Special Warrants issued on December 20, 2019 as detailed in the prospectus supplement dated December 30, 2019.

<sup>35</sup> Issued pursuant to the conversion of Special Warrants issued on January 3 and January 7, 2020 as detailed in the prospectus supplement dated January 9, 2020.

<sup>36</sup> Issued pursuant to the conversion of Special Warrants issued on February 6, 2020 as detailed in the prospectus supplement dated February 11, 2020.

<sup>37</sup> Issued pursuant to the conversion of Special Warrants issued on February 14, 2020 as detailed in the prospectus supplement dated February 20, 2020.

<sup>38</sup> Issued pursuant to the conversion of Special Warrants issued on March 6, 2020 as detailed in the prospectus supplement dated March 11, 2020

<sup>39</sup> Issued pursuant to the conversion of Special Warrants issued on April 2, 2020 as detailed in the prospectus supplement dated April 7, 2020

December 9, 2019	\$0.245	198,000
January 2, 2020	\$0.195	1,300,000
January 13, 2020	\$0.28	400,000
January 15, 2020	\$0.285	200,000
February 5, 2020	\$0.28	100,000
March 2, 2020	\$0.21	1,230,000
March 12, 2020	\$0.205	200,000
April 22, 2020	\$0.17	100,000

*Special Warrants:*

August 7, 2019	\$0.30	5,914,933
August 30, 2019	\$0.30	1,707,332
September 13, 2019	\$0.25	1,400,000
October 7, 2019	\$0.25	2,090,500
October 30, 2019	\$0.30	1,833,404
November 19, 2019	\$0.25	1,810,000
December 6, 2019	\$0.20	1,262,500
December 20, 2019	\$0.25	1,731,291
January 3, 2020	\$0.15	1,816,666
January 7, 2020	\$0.15	666,666
February 6, 2020	\$0.28	226,071
February 14, 2020	\$0.20	1,363,300
March 6, 2020	\$0.16	3,840,625
April 2, 2020	\$0.10	5,000,000
May 1, 2020	\$0.10	5,000,000

*Finder's Options:*

August 7, 2019	-	268,160
August 30, 2019	-	66,900

October 30, 2019	-	20,500
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*Finder's Unit Warrants:*

August 21, 2019	\$0.30	268,160 <sup>40</sup>
September 11, 2019	\$0.30	66,900 <sup>41</sup>
November 14, 2019	\$0.30	20,500 <sup>42</sup>

TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the CSE under the symbol "BOSS". The following table sets forth the reported price range and average daily volume of trading of the Common Shares during the 12 months preceding the date of this Prospectus Supplement.

CSE (prices in Canadian dollars)		
<u>(dates)</u>	<u>Price Range (low - high)</u>	<u>Average Volume</u>
May 1 - May 5, 2020	\$0.15 - \$0.17	254,678
April 1 - April 30, 2020	\$0.15 - \$0.235	423,340
March 1 - March 31, 2020	\$0.125 - \$0.265	570,615
February 2020	\$0.185 - \$0.295	332,085
January 2020	\$0.19 - \$0.31	761,717
December 2019	\$0.195 - \$0.255	261,962
November 2019	\$0.25 - \$0.315	253,232
October 2019	\$0.23 - \$0.405	479,645
September 2019	\$0.225 - \$0.30	467,000

<sup>40</sup> Issued pursuant to the conversion of Finder's Options issued on August 7, 2019 as detailed in the prospectus supplement dated August 15, 2019.

<sup>41</sup> Issued pursuant to the conversion of Finder's Options issued on August 30, 2019 as detailed in the prospectus supplement dated September 6, 2019.

<sup>42</sup> Issued pursuant to the conversion of Finder's Options issued on October 30, 2019 as detailed in the prospectus supplement dated November 8, 2019

August 2019	\$0.29 - \$0.46	486,947
July 2019	\$0.305 - \$0.41	450,783
June 2019	\$0.255 - \$0.435	781,963
May 2019	\$0.485 - \$0.62	432,183

The closing price of the Common Shares on the CSE on May 5, 2020 was \$0.165.

#### USE OF PROCEEDS

The net proceeds paid to the Company from the sale of the Special Warrants, pursuant to which the Units are being distributed under this Prospectus Supplement upon the deemed exercise thereof, were \$500,000, and will be used to fund the following:

Use of Proceeds	Amount (\$)
Payroll and contractor expenses	330,000
Production of inventory	150,000
Corporate finance consulting	20,000
Total	500,000

From time to time, when the Warrants comprising part of the Units are exercised, the Company will receive proceeds equal to the aggregate exercise price of such Warrants. Assuming that all of the Warrants are exercised prior to the expiry thereof and that no adjustment based on the anti-dilution provisions contained in the Warrant Certificates has taken place, the net proceeds to the Company will be approximately \$650,000. The Company anticipates that the entirety of the net proceeds from the exercise of Warrants will be used to fund working capital requirements.

Although the Company intends to use the net proceeds for the purposes set forth above, we reserve the right to use such net proceeds for other purposes to the extent that circumstances, including unforeseen events and other sound business reasons, make such use necessary or prudent.

#### INTEREST OF EXPERTS

As at the date hereof, the partners and associates, as a group, of Stikeman Elliott LLP, own, directly or indirectly, less than 1% of the Common Shares. The Company's auditors, Saturna Group Chartered Professional Accountants LLP, have confirmed that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations. None of the aforementioned persons have received or will receive a direct or indirect interest in any other property of the Company or any associate or affiliate of the Company.



## LEGAL MATTERS

Certain legal matters relating to the Distribution and this Prospectus Supplement will be passed upon on behalf of the Company by Stikeman Elliott LLP.

### AUDITOR, TRANSFER AGENT AND REGISTRAR

Saturna Group Chartered Professional Accountants LLP is our auditor and has confirmed that it is independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Our transfer agent and registrar is Computershare Investor Services Inc. at its principal office in Vancouver, British Columbia.

### PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

In an offering of warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the warrants are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon the exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE ISSUER

Dated: May 5, 2020

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Nova Scotia.

(Signed) *Penny White*  
President and Chief Executive Officer

(Signed) *Rick Huang*  
Chief Financial Officer

On behalf of the Board of Directors

(Signed) *Spiros Margaris*  
Director

(Signed) *Penny White*  
Director

(Signed) *Rick Huang*  
Director

## CERTIFICATE OF THE PROMOTER

Dated: May 5, 2020

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Nova Scotia.

(Signed) *Penny White*

**THE  
YIELD  
GROWTH  
CORP.**

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PROSPECTUS SUPPLEMENT

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MAY 5, 2020

*Information contained herein is subject to completion or amendment. This short form prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of The Yield Growth Corp. at Suite 200, 1238 Homer Street, Vancouver, British Columbia, Canada V6B 2Y5, telephone: 604 617-7979 and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## SHORT FORM BASE SHELF PROSPECTUS

New Issue

July 18, 2019

# THE YIELD GROWTH CORP.

The Yield Growth Corp.

\$10,000,000

Common Shares

Debt Securities

Warrants

Units

The Yield Growth Corp. ("Yield Growth", the "Company", "us" or "we") may offer and issue from time to time common shares of the Company (the "Common Shares"), debt securities (the "Debt Securities"), warrants to purchase Common Shares or Debt Securities (the "Warrants"), or any combination thereof (the "Units", and collectively with all of the foregoing, the "Securities"), up to an aggregate offering price of \$10,000,000 (or the equivalent thereof if the Securities are denominated in any other currency or currency unit) during the 25-month period that this short form base shelf prospectus (this "Prospectus"), including any amendments hereto, remains effective.

The Securities may be offered in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in one or more accompanying prospectus supplements (each, a "Prospectus Supplement").

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus as of the date of the Prospectus Supplement and only for the purposes of distribution of the Securities to which the Prospectus Supplement pertains. The specific terms of the Securities with respect to a particular offering will be set out in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Common Shares, the number of shares offered, the offering price, the

currency, dividend rate, if any, and any other terms specific to the Common Shares being offered; (ii) in the case of Debt Securities, the designation of the Debt Securities, any limit on the aggregate principal amount of the Debt Securities, the maturity date, whether payment on the Debt Securities will be senior or subordinated to the Company's other liabilities and obligations, whether the Debt Securities will bear interest, the interest rate or method of determining the interest rates, any conversion or exchange rates attached to the Debt Securities, whether the Company may redeem the Debt Securities at its option and any other specific terms; (iii) in the case of Warrants, the designation, number and terms of the Common Shares or Debt Securities issuable upon exercise of the Warrants, the offering price, the currency, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, and any other terms specific to the Warrants being offered; and (iv) in the case of Units, the designation, number of Securities comprising the Units, the offering price, the currency and any other terms specific to the Units being offered. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters set forth in this Prospectus. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the Securities will be included in the Prospectus Supplement describing the Securities.

The outstanding Common Shares of the Company are currently traded on the Canadian Securities Exchange (the "CSE") under the symbol "BOSS". Unless otherwise specified in the applicable Prospectus Supplement, Securities other than the Common Shares will not be listed on any securities exchange. Unless otherwise specified in the applicable Prospectus Supplement, Securities other than the Common Shares will not be listed on any securities exchange. There is no market through which the Securities, other than the Common Shares, may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus and any applicable Prospectus Supplement. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. See "Risk Factors".

The offering of Securities hereunder is subject to the approval of certain legal matters on behalf of the Company by Stikeman Elliott LLP.

An investment in the Securities is subject to a number of significant risks that should be considered by a prospective purchaser. Prospective investors should carefully consider the risk factors described under "Risk Factors", in the documents incorporated by reference herein, and in the applicable Prospectus Supplement.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that we are incorporated or organized under the laws of a foreign country, that some or all of our officers and directors may be residents of a foreign country, that some or all of the underwriters or experts named in this Prospectus or any Prospectus Supplement may be residents of a foreign country and that all or a substantial portion of the assets of the Company and said persons may be located outside the United States.

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC") NOR HAS THE SECURITIES COMMISSION OF ANY STATE OF THE UNITED STATES OR ANY CANADIAN SECURITIES REGULATOR APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

Investors should be aware that the acquisition, holding or disposition of the Securities described herein may have tax consequences which may not be described fully herein. You should read the tax discussion contained in the applicable Prospectus Supplement with respect to a particular offering of Securities and consult your own tax advisor with respect to your own particular circumstances.

**No underwriter has been involved in the preparation of this Prospectus nor has any underwriter performed any review of the contents of this Prospectus.**

This Prospectus constitutes a public offering of Securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell the Securities. The Company may offer and sell Securities to, or through, underwriters and also may offer and sell certain Securities directly to other purchasers or through agents pursuant to exemptions from registration or qualification under applicable securities laws. A Prospectus Supplement relating to each issue of Securities offered thereby will set forth the names of any underwriters or agents involved in the offering and sale of the Securities and will set forth the terms of the offering of the Securities, the method of distribution of the Securities including, to the extent applicable, the proceeds to the Company and any fees, discounts or any other compensation payable to underwriters or agents and any other material terms of the plan of distribution.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), other than an "at-the-market" distribution, the underwriters or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See "Plan of Distribution".

**The financial information of the Company contained in the documents incorporated by reference herein are presented in Canadian dollars.** In this Prospectus, references to "\$" and "C\$" are to Canadian dollars and references to US\$ are United States dollars.

Our head office and registered office is located at Suite 200, 1238 Homer Street, Vancouver, British Columbia, Canada V6B 2Y5.

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## ABOUT THIS PROSPECTUS

Unless otherwise noted or the context otherwise indicates, "Yield Growth", the "Company", "us" or "we" refer to The Yield Growth Corp. and its subsidiaries.

An investor should rely only on the information contained in this Prospectus, any applicable Prospectus Supplement and the information incorporated by reference in this Prospectus or any applicable Prospectus Supplement. We have not authorized anyone to provide investors with additional or different information. The information contained on *yieldgrowth.com* is not included in or incorporated by reference into this Prospectus or any applicable Prospectus Supplement and prospective investors should not rely on such information when deciding whether or not to invest in the Securities. Any graphs, tables or other information demonstrating our historical performance or of any other entity contained in this Prospectus or any applicable Prospectus Supplement or the information incorporated by reference in this Prospectus or any applicable Prospectus Supplement are intended only to illustrate past performance and are not necessarily indicative of our future performance or that of any other entity. The information contained in this Prospectus or any applicable Prospectus Supplement is accurate only as of the date on the front of such documents, regardless of the time of delivery of such documents or of any sale of the Securities.

This Prospectus and the information incorporated herein by reference include certain trade names and trademarks which are protected under applicable intellectual property laws and are our property. Solely for convenience, our trademarks and trade names referred to in this Prospectus may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights to these trademarks and trade names.

## WHERE YOU CAN FIND MORE INFORMATION

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of The Yield Growth Corp. at Suite 200, 1238 Homer Street, Vancouver, British Columbia, Canada V6B 2Y5, telephone: 604 617-7979 and are also available electronically at [www.sedar.com](http://www.sedar.com).

Under the short form prospectus system adopted by the securities commissions and other regulatory authorities in each of the provinces and territories of Canada, we are permitted to incorporate by



reference the information we file with securities commissions in Canada, which means that we can disclose important information to you by referring you to those documents. Our following documents, filed with the various securities commissions or similar authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) our annual information form dated May 14, 2019 for the year ended November 30, 2018 (the "AIF");
- (b) our audited annual consolidated financial statements for the fiscal year ended November 30, 2018, together with the notes thereto and the independent auditors' report thereon;
- (c) our management's discussion and analysis for the fiscal year ended November 30, 2018 (the "Annual MD&A");
- (d) our unaudited interim condensed consolidated financial statements for the three months ended February 28, 2019;
- (e) our management's discussion and analysis for the three months ended February 28, 2019 (the "Q1 MD&A");
- (f) our management information circular dated April 3, 2019 prepared in connection with the annual meeting of the shareholders of the Company held on May 9, 2019;
- (g) our material change report dated July 18, 2019 respecting the appointment of Tamara Melck as Chief Operating Officer of the Company; and
- (h) our material change report dated December 21, 2018 in respect of the Company's initial public offering of Common Shares which closed on December 13, 2018 (the "IPO") the commencement of trading of the Common Shares on the CSE, and certain board appointments.

Any documents of the type referred to in Item 11.1 of Form 44-101F1 of National Instrument 44-101 - *Short Form Prospectus Distributions* subsequently filed by us with the various securities commissions or similar authorities in Canada after the date of this Prospectus and until the expiry of this Prospectus shall be deemed to be incorporated by reference into this Prospectus.

A Prospectus Supplement containing the specific terms for an issue of Securities will be delivered to purchasers of such Securities together with this Prospectus and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement and only for the purposes of the Securities issued under that Prospectus Supplement.

Upon a new annual information form and related annual financial statements and management's discussion and analysis relating thereto being filed with and, where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form, annual and interim financial statements and management's discussion and analysis relating thereto and material change reports filed prior to the commencement of the then current fiscal year will be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus. Upon a new management proxy circular relating to an annual meeting of shareholders of the Corporation being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the management information circular for the preceding annual meeting of shareholders shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for the purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not constitute a part of this Prospectus, except as so modified or superseded.

You should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. We are not making an offer of Securities in any jurisdiction where the offer is not permitted by law.

#### FORWARD-LOOKING INFORMATION

This Prospectus, any Prospectus Supplement and the documents incorporated by reference herein contain certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") which are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. Such statements can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", or "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance or other statements that are not statements of fact. Such forward-looking statements are made as of the date of this Prospectus, or in the case of any Prospectus Supplement or the documents incorporated by reference herein, as of the date of each such document. Forward-looking statements in this Prospectus, any Prospectus Supplement and the documents incorporated by reference herein include, but are not limited to, statements with respect to:

Forward looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Management believes that the assumptions and expectations reflected in such forward looking statements are reasonable. Assumptions have been made regarding, among other things:

- plans regarding our revenue, expenses and operations;
- plans regarding the effective marketing and sale of our products;
- our ability to build and operate an e-commerce website that allows for the purchase of our products;
- our anticipated cash needs and our need for additional financing;
- plans regarding the timeline for the initial retail release of our products;
- our ability to pass all regulatory testing, with Health Canada or otherwise, to ensure the timely ability to sell and license our products;

- our ability to protect, maintain and enforce intangible property rights;
- plans for and timing of expansion of solutions and products;
- future growth plans and the ability to meet our business objectives;
- the acceptance by customers and the marketplace of new products and solutions;
- ability to attract new customers and develop and maintain existing customers;
- our ability to license the products internationally by jurisdictions;
- ability to attract and retain personnel;
- expectations with respect to advancement and adoption of new product lines and ingredients;
- competitive position and expectations regarding competition; and
- anticipated trends and challenges in our business and the markets in which we operate.

Forward-looking statements contained in or incorporated by reference in this Prospectus or any Prospectus Supplement are based on the assumptions described in this Prospectus or any Prospectus Supplement. Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements, including risks related to: fluctuations in the currency markets; changes in interest rates; disruption to the credit markets and delays in obtaining financing; inflationary pressures; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in the United States and Canada, or other countries in which the Company may carry on business; business opportunities that may be presented to, or pursued by the Company; operating or technical difficulties in connection with business activities; the possibility of cost overruns or unanticipated expenses; employee relations; the risks of obtaining and renewing necessary licenses and permits; and the occurrence of natural disasters, hostilities, acts of war or terrorism; the Company may never pay any dividends. The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted under the heading "Risk Factors".

Forward-looking statements contained in or incorporated by reference in this Prospectus or any Prospectus Supplement are based on the assumptions described in this Prospectus or any Prospectus Supplement. Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, but are not limited to: the limited operating history of the Company's cannabis business; risks related to the Company's cannabis business and the cannabis industry generally; the laws, regulations and guidelines generally applicable to the cannabis industry in Canada and other countries may change in ways that impact the Company's ability to continue its business as currently conducted or proposed to be conducted; adverse changes or developments affecting any of the Company's facilities may have an adverse impact on the Company; the Company may not be able to complete the expansion and conversion of its facilities on its anticipated timelines; the Company may not be able to cultivate the expected ratio of dried cannabis

per square foot of facility space; the Company may encounter delays in having its expanded facilities inspected by Health Canada; the growth capital expenditures necessary to expand and convert the Company's facilities may be higher than expected; the competitive environment in the cannabis industry could change as a result of the rapid growth and consolidation of the industry generally; the Company may not be able to secure adequate financing; risks related to environmental regulation of the Company's operations; the risk of litigation related to intellectual property rights, product liability claims and other lawsuits and regulatory actions; and the expected growth in the amount of medical and adult-use recreational cannabis sold by the Company.

These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully by prospective purchasers of Securities. More detailed assessment of the risks that could cause actual events or results to materially differ from our current expectations can be found and under the heading "Risk Factors" in this Prospectus.

A number of factors could cause actual events, performance or results to differ materially from what is projected in forward-looking statements. The purpose of forward-looking statements is to provide the reader with a description of management's expectations, and such forward-looking statements may not be appropriate for any other purpose. You should not place undue reliance on forward-looking statements contained in this Prospectus, any Prospectus Supplement or in any document incorporated by reference herein. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements contained in this Prospectus, any Prospectus Supplement and the documents incorporated by reference herein are expressly qualified in their entirety by this cautionary statement.

## **OUR COMPANY**

### **Business of the Company and Recent Developments**

Yield Growth develops, manufactures, markets and distributes luxury cannabis and hemp infused products and provides technology and marketing services. For a description of our business and recent developments, please refer to pages 4 through 32 of the AIF.

### **Corporate Structure**

Yield Growth was incorporated under the BCBCA on November 28, 2014 under the name 1020439 B.C. Ltd. We changed our name on May 15, 2017 to "Cannapay Financial Inc." and then to "The Yield Growth Corp." on April 3, 2018. Our head office and our registered office is located at Suite 200 - 1238 Homer Street, Vancouver, BC V6B 2Y5.

The Common Shares in the capital of the Company were listed for trading on the CSE on December 14, 2018, under the trading symbol "BOSS." On January 24, 2019 the Common Shares were listed for trading on the Frankfurt Stock Exchange ("FSE"), under the trading symbol "YG3". On February 1, 2019, the Common Shares became eligible to trade on the OTCQB, under the trading symbol "BOSQF".

Yield Growth has six wholly owned subsidiaries incorporated in British Columbia: Thrive, Urban Juve, UJ Beverages, Wright & Well, Yield Botanicals, and one wholly owned C Corporation formed in California, United States, Mad Wallaby.

## DESCRIPTION OF SHARE CAPITAL

The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of our articles.

Our authorized capital consists of an unlimited number of Common Shares. As of the date of this Prospectus, there are 89,954,662 Common Shares issued and outstanding.

### Common Shares

Each Common Share entitles its holder to notice of and to one vote at all meetings of the Company's shareholders. Each Common Share is also entitled to receive dividends if, as and when declared by the Company's Board of Director. Holders of Common Shares are entitled to participate in any distribution of the Company's net assets upon liquidation, dissolution or winding-up of the Company on an equal basis per Common Share.

### Dividend Policy

We have not declared nor paid any dividends to date on the Common Shares. We intend to retain our earnings, if any, to finance the growth and development of our business. Accordingly, we do not currently expect to pay any dividends on our Common Shares in the near future.

## DESCRIPTION OF DEBT SECURITIES

The following description, together with the additional information the Company may include in any applicable Prospectus Supplement, summarizes the material terms and provisions of the Debt Securities that the Company may offer under this Prospectus, which may be issued in one or more series. Debt Securities may be offered independently or together with other Securities. The following sets forth certain general terms and provisions of the Debt Securities offered under this Prospectus. The specified terms and provisions of the Debt Securities offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms described in this section apply to those Debt Securities, will be set forth in the applicable Prospectus Supplement. The terms of any Debt Securities offered under a Prospectus Supplement may differ from the terms described below.

### General

Debt Securities may be issued under and governed by the terms of one or more other trust indentures (a "Trust Indenture") between the Company and a debt security trustee or trustees (each, a "Debt Security Trustee") that the Company will name in the relevant Prospectus Supplement, if applicable. Each Debt Security Trustee will be a financial institution organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee.

This summary of some of the provisions of the Debt Securities is not complete. The statements made in this Prospectus relating to a Trust Indenture, if any, and Debt Securities to be issued under this Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of a Trust Indenture, if any and as applicable. Prospective investors should refer to the Trust Indenture, if any, and as applicable. If applicable, we will file a Trust Indenture describing the terms and conditions of Debt Securities we are offering concurrently with the filing of the applicable Prospectus Supplement under which such Debt Securities are offered.

The applicable Prospectus Supplement relating to any Debt Securities offered by the Company will describe the particular terms of those Debt Securities and include specific terms relating to the offering. This description will include, where applicable:

- the designation and aggregate number of Debt Securities;
- the price at which the Debt Securities will be offered;
- the currency or currencies in which the Debt Securities will be offered and in which the principal, premium, if any, and interest, if any, will be paid;
- the date or dates on which principal of the Debt Securities will be payable and the amount of principal which will be payable;
- the rate or rates (which may be fixed or variable) at which the Debt Securities will bear interest, if any, or contingent interest, if any, as well as the dates from which interest will accrue, the dates on which interest will be payable, the persons to whom interest will be payable, if other than the registered holders on the record date, and the record date for the interest payable on any payment date;
- the dates on which and the price or prices at which the Debt Securities will, pursuant to any required repayment provisions, or may, pursuant to any repurchase or redemption provisions, be repurchased, redeemed or repaid and the other terms and provisions of any such optional repurchase or redemption or required repayment;
- the right, if any, of holders of the Debt Securities to convert them into Common Shares or other securities, including any contingent conversion provisions and any provisions intended to prevent dilution of those conversion rights;
- the extent and manner, if any, to which payment on or in respect of the Debt Securities will be senior to, or will be subordinated to the prior payment of, other liabilities and obligations of the Company;
- any special or modified events of default or covenants with respect to the Debt Securities;
- any index or formula used to determine the required payments of principal, premium, if any, or interest, if any;
- the percentage of the principal amount of the debt securities which is payable if maturity of the Debt Securities is accelerated because of a default;
- any special or modified events of default or covenants with respect to the Debt Securities;
- the effect of any merger, consolidation, sale or other disposition of our business on the Debt Securities and the Debenture Indenture or Trust Indenture, if any and as applicable;
- whether the Company will issue the Debt Securities as global securities and, if so, the identity of the depositary of the global securities;
- whether the Debt Securities will be listed on any exchange;
- material Canadian federal income tax consequences of owning the Debt Securities; and
- any other material terms or conditions of the Debt Securities.

We may issue Debt Securities with terms different from those of Debt Securities previously issued and, without the consent of the holders thereof. We may reopen a previous issue of a series of Debt

Securities and issue additional Debt Securities of such series (unless the reopening was restricted when such series was created).

### **Ranking and Other Indebtedness**

The Debt Securities will be senior or subordinated indebtedness of the Company, as described in the relevant Prospectus Supplement. In the event of the Company's insolvency or winding up, the Company's subordinated indebtedness, including any subordinated Debt Securities, will be subordinate in right of payment to the prior payment in full of all of the Company's other liabilities (including senior indebtedness), except those which by their terms rank equally in right of payment with or are subordinate to such subordinated indebtedness.

## **DESCRIPTION OF WARRANTS**

The following description, together with the additional information we may include in any applicable Prospectus Supplement, summarizes the material terms and provisions of the Warrants that we may offer under this Prospectus, which will consist of Warrants to purchase Common Shares or Debt Securities and may be issued in one or more series. Warrants may be offered independently or together with other Securities, and may be attached to or separate from those Securities. While the terms we have summarized below will apply generally to any Warrants that we may offer under this Prospectus, we will describe the particular terms of any series of Warrants that we may offer in more detail in the applicable Prospectus Supplement. The terms of any Warrants offered under a Prospectus Supplement may differ from the terms described below.

### **General**

Warrants may be issued under and governed by the terms of one or more warrant indentures (a "Warrant Indenture") between us and a warrant trustee (a "Warrant Trustee") that we will name in the relevant Prospectus Supplement, if applicable. Each Warrant Trustee will be a financial institution organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee.

This summary of some of the provisions of the Warrants is not complete. The statements made in this Prospectus relating to any Warrant Indenture, if any, and Warrants to be issued under this Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the Warrant Indenture, if any, and the Warrant certificate. Prospective investors should refer to the Warrant Indenture, if any, and the Warrant certificate relating to the specific Warrants being offered for the complete terms of the Warrants. If applicable, we will file a Warrant Indenture describing the terms and conditions of Warrants we are offering concurrently with the filing of the applicable Prospectus Supplement under which such Warrants are offered.

The applicable Prospectus Supplement relating to any Warrants offered by us will describe the particular terms of those Warrants and include specific terms relating to the offering. This description will include, where applicable:

- the designation and aggregate number of Warrants;
- the price at which the Warrants will be offered;
- the currency or currencies in which the Warrants will be offered;
- the date on which the right to exercise the Warrants will commence and the date on which the right will expire;

- the manner of exercise;
- the number of Common Shares or Debt Securities that may be purchased upon exercise of each Warrant and the price at which and currency or currencies in which the Common Shares or Debt Securities may be purchased upon exercise of each Warrant;
- the designation and terms of any Securities with which the Warrants will be offered, if any, and the number of the Warrants that will be offered with each Security;
- the date or dates, if any, on or after which the Warrants and the other Securities with which the Warrants will be offered will be transferable separately;
- the effect of any merger, consolidation, sale or other disposition of our business on the Warrants and the Warrant Indenture, if any;
- whether the Warrants will be subject to redemption and, if so, the terms of such redemption provisions;
- whether the Company will issue the Warrants as global securities and, if so, the identity of the depositary of the global securities;
- whether the Warrants or the underlying Securities will be listed on any exchange;
- material Canadian federal income tax consequences of owning the Warrants;
- the manner in which the Warrants and the Warrant Indenture, if any, may be modified; and
- any other material terms or conditions of the Warrants.

#### **Rights of Holders Prior to Exercise**

Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the Securities issuable upon exercise of the Warrants.

#### **DESCRIPTION OF UNITS**

The following description, together with the additional information we may include in any applicable Prospectus Supplements, summarizes the material terms and provisions of the Units that we may offer under this Prospectus. While the terms we have summarized below will apply generally to any Units that we may offer under this Prospectus, we will describe the particular terms of any series of Units in more detail in the applicable Prospectus Supplement. The terms of any Units offered under a Prospectus Supplement may differ from the terms described below.

We will file the form of unit agreement ("**Unit Agreement**"), if any, between us and a unit agent that describes the terms and conditions of the series of Units we are offering, and any supplemental agreements, concurrently with the filing of the applicable Prospectus Supplement under which such series of Units are offered. The following summaries of material terms and provisions of the Units are subject to, and qualified in their entirety by reference to, all the provisions of the Unit Agreement, if any, and any supplemental agreements applicable to a particular series of Units. We urge you to read the applicable Prospectus Supplements related to the particular series of Units that we sell under this Prospectus, as well as the complete Unit Agreement, if any, and any supplemental agreements that contain the terms of the Units.



## General

We may issue Units comprising one or more of the Securities described herein in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The Unit Agreement under which a Unit may be issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

We will describe in the applicable Prospectus Supplement the terms of the series of Units, including:

- the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those securities may be held or transferred separately;
- provisions of the governing Unit Agreement, if any; and
- any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the securities comprising the Units.

The provisions described in this section, as well as those described under "Description of Share Capital", "Description of Debt Securities" and "Description of Warrants" will apply to each Unit and to any Security included in each Unit, respectively.

## Issuance in Series

We may issue Units in such amounts and in numerous distinct series as we determine.

## PRIOR SALES

Information about prior sales will be provided in each applicable Prospectus Supplement relating to the Securities offered thereby.

## TRADING PRICE AND VOLUME

Trading price and volume of our Securities will be provided in each applicable Prospectus Supplement relating to the Securities offered thereby.

## USE OF PROCEEDS

Detailed information regarding the use of proceeds from the sale of Securities will be described in the applicable Prospectus Supplement. We may also, from time to time, issue securities otherwise than through the offering of Securities pursuant to this Prospectus.

The Company had negative cash flow from operations for the year ended November 30, 2018. However, one of the key performance indicators that Yield Growth uses to manage its business and evaluate its financial results and operating performance is "cash provided by (used in) operating activities before investment in loans receivable". Using this metric, the Company has generated positive cash flow from operations before investment in loans receivable and all operating expenses, including interest expenses, have been funded internally. See "Non-IFRS Financial Measures" in the Annual MD&A and the Q1 MD&A.

## DISCUSSION OF OPERATIONS

The following is a discussion of the Company's operations for the 12 months ended November 30, 2018 and the three months ended February 28, 2019.

For the 12 months ended November 30, 2018

### *Advertising and Promotion*

Advertising and promotion expenses are related to the Company's activities in promoting its wellness line of products. For the year ended November 30, 2018, the Company incurred \$678,266 in advertising and promotion expenses as compared to \$86,850 for the prior year. The increased spending was targeted at the Urban Juve product launch: the Company launched its skin care product line under the brand name of Urban Juve in the fourth quarter of 2018. Expenses included brand design, labelling artwork, primary packaging design, social media launch and maintenance, and creatives and content of the Urban Juve website.

### *Consulting Fees*

The Company engages consultants regularly to obtain services and advice in various areas of its business, including but not limited to marketing, technology, finance and accounting. For the year ended November 30, 2018, the Company incurred consulting expenses of \$2,054,099 as compared to \$176,919 for the prior year. Consulting fees increased due to the Company's activities relating to its IPO during this period, and Urban Juve product launch preparations.

Many members of the Company's management are engaged as consultants, including its Chief Executive Officer, Chief Financial Officer, Chief Marketing Officer, Director of Technology and Manager of Investor Relations. Consulting fees are also paid in respect of certain part time positions, are paid to the Company's capital markets consultants Cor Capital, and are paid to persons providing technical and professional expertise required for the Company's wholly owned subsidiary Thrive Activations Inc. relating to the services which Thrive provides to its clients. All these fees are recorded as consulting expenses. Consulting fees for the year ended November 30, 2018 included a \$600,000 bonus payout to the Company's CEO.

### *Information Systems*

The Company incurred expenses on Information Systems, primarily to establish its enterprise resource planning system and its ecommerce website and related back-end transaction processing and support systems, in the amount of \$767,447 during the year ended November 30, 2019. The Company did not incur such expenses in the prior year.

### *Share-based Compensation*

Share-based compensation is related to stock options granted to directors, officers, employees and consultants of the Company. For the year ended November 30, 2018, the Company incurred share-based compensation expense of \$3,663,470 as compared to \$89,908 for the prior year.

The Company issued 14.6 million stock options during the year and had 8.4 million options outstanding at the end of the period. The share based compensation expenses calculated using a Black-Scholes model. Of the 14.6 million options issued during the quarter, all of these options were granted to advisors, directors, employees and ongoing consultants of the Company.

For the 3 months ended February 28, 2019,

### *Advertising and Promotion*

Advertising and promotion expenses for the three months ended February 28, 2019 are related to the Company's activities in promoting its corporate brand name, its wellness line of products, Urban Juve, and its ecommerce website. For the period ended February 28, 2019, the Company incurred \$1,768,042 in advertising and promotion expenses as compared to \$150,196 for the same period of the prior year. The increased spending was targeted at promoting the Company's corporate identity after the Company's IPO, the launch of the Urban Juve wellness product line, and driving traffic to the Company's new ecommerce website [Urbanjuve.com](http://Urbanjuve.com). The Company was not engaged in these activities for the equivalent period of the previous year.

### *Consulting Fees*

For the three month period ended February 28, 2019, the Company incurred consulting expenses of \$928,821 as compared to \$524,469 for the same period of the prior year. Consulting fees increased due to IPO activities and Urban Juve product launch efforts. Consulting fees included bonus of \$125,000 paid to a senior manager and a legal counsel in the cannabis industry. Similar to the year ended November 30, 2018, many members of the Company's management were engaged as consultants, and the fees paid for their services are recorded as consulting fees for this period.

### *Information Systems*

The Company incurred expenses on Information Systems, primarily to establish its enterprise resource planning system and its ecommerce website and related backend transaction processing and support systems, as well as supporting its consulting services provided to third parties. During the three month period ended February 28, 2019, the Company incurred expenses in information systems of \$302,950 as compared to \$nil during the same period of the prior year. Information systems for this quarter was primarily related to the continued integration of the Company's enterprise resource planning system and development of a custom built ecommerce website.

### *Share-based Compensation*

Share-based compensation is related to stock options granted to directors, officers, employees and consultants of the Company. For the three month period ended February 28, 2019, the Company incurred share-based compensation expense of \$408,927 as compared to \$1,316,148 for the same period of the prior year. The decrease in stock-based compensation expenses was driven by the vesting schedule of underlying stock options, as certain options granted at the beginning of the Company's active business in 2017 and 2018 were fully vested during this period of the prior year.

The Company issued 4.9 million stock options during the quarter and had 11 million options outstanding at the end of the quarter. The share-based compensation expenses were based on a Black-Sholes model for these stock options. Of the 4.9 million options issued during the quarter, 2 million were issued to two advisors and the remaining were issued to employees and ongoing contractors who carry a specific function and title at the Company.

## **USE OF PROCEEDS FROM PREVIOUS FINANCINGS**

The Company raised gross proceeds of approximately \$2,241 million in its initial public offering which closed on December 13, 2018. As indicated in the following table, after deduction of offering expenses, and combined with working capital the Company had available prior to completion of the IPO plus approximately \$4.7 million which the Company has raised mostly through the exercise of

outstanding warrants and options, as of the date of this prospectus, the Company has raised approximately \$8,504 million.

	<u>IPO</u>	<u>ADD'L FUNDS</u>	<u>TOTAL</u>
Gross proceeds from offering	2,241		2,241
Less:			
Broker fees	-224		-224
Transaction fees	-73		-73
Net proceeds from offering	1,943		1,943
Warrants and options exercises		<u>4,772</u>	4,772
Working capital	<u>1,790</u>		<u>1,790</u>
Available funds	<u>3,733</u>	<u>4,772</u>	<u>8,504</u>

The Company's prospectus dated November 29, 2019 (the "IPO Prospectus") filed in connection with the IPO set out the anticipated use of proceeds from the IPO. The table described the use of proceeds if the minimum proceeds of \$2 million were raised in the IPO, and the use of proceeds if the maximum of \$2.5 million was raised. The following table outlines the anticipated use of proceeds in the IPO prospectus if the maximum proceeds were raised, and compares this with how the proceeds were actually applied.

<u>USE OF PROCEEDS:</u>	<u>PROSPECTUS MAX</u>	<u>ACTUAL</u>	<u>DIFFERENCE</u>	<u>NOTES</u>
General Administration:				
Management compensation	944	968	-23	
Expenses:				
Travel	50	117	-67	
Insurance	10	129	-119	
Rent	112	47	64	
Listing and filing fees	30	165	-135	
Directors' fees	38	8	30	
Professional fees	18	241	-223	4
Investor and Public relations	60	187	-127	
Media and advertising	-	1,437	-1,437	1
Podcast	36	9	27	
Office expenses	26	119	-93	
Launch of Juve Wellness product line:				
<u>Juve Launch team:</u>				
Management	644	705	-61	
Sales reps	336	115	221	5
Production of product samples	20	66	-46	
Products testing	20	17	3	
Development of container and packaging	20		20	
Production of initial batch of products	200	518	-318	3
Warehousing	8	9	-0	
e-commerce readiness	300	339	-39	
Marketing and promotion activities	<u>386</u>	<u>1,576</u>	<u>-1,189</u>	2
<b>Total</b>	<b><u>3,258</u></b>	<b><u>6,769</u></b>	<b><u>-3,511</u></b>	

Notes:

1. Media and Advertising, \$1.4 million: This spend was targeted at different digital and traditional media to promote the Company's corporate profile and its product brand, Urban Juve.
2. Marketing and Promotion, \$1.2 million: These programs targeted specific consumer groups and geographical areas for product brand of Urban Juve, and included product design, label and packaging design, media, publicity, pop up kiosks, digital marketing, launch and maintenance of social media platforms, content of our websites, education and sales tools, and etc.
3. Production of initial batch of products: The Company spent additional \$318K on production of initial inventory. Certain raw material and packaging components delivered material economies of scale when they were ordered in larger quantities.
4. Professional fees, \$223K: The Company made progress to make its products ready for sale in various international regions including the US and the European Union and thus incurred additional professional fees.
5. Sales reps: The Company achieved savings by bringing sales reps in-house instead of using third party agency.

**BUSINESS OBJECTIVES AND MILESTONES**

The following table sets out the Company's business objectives and milestones into the second quarter of 2020 as well as the Company's anticipated budget for administrative expenses over the next 12 months.

<u>GENERAL ADMINISTRATION:</u>	<u>AMOUNT</u>	<u>TIMING</u>
Management, employee and consultant compensation	1,905,844	
Expenses:		
Travel	48,000	
Insurance	270,000	
Rent	111,600	
Exchange and filing fees	30,000	
Directors' fees	15,000	
Professional fees	189,000	
Investor and Public relations	373,206	
Marketing, media, advertising and events	945,618	
Radio Podcast	18,000	
Office expenses	155,004	
<u>BUSINESS INITIATIVES AND MILESTONES</u>		
<u>Launch of Urban Juve product line:</u>		
Urban Juve launch team:		
Management, employees and consultant compensation	1,254,532	June 2019 to May 2020
Sales reps	61,000	June 2019 to May 2020
Production of product samples	30,000	January 2020
Products testing	36,000	June 2019 to May 2020
Branding, artwork, packaging design and market research	339,224	June 2019 to May 2020
Production of inventory	334,826	June to September 2019
Warehousing	30,000	June 2019 to May 2020
E-commerce website and information systems	282,000	
Marketing, media, advertising and events	1,905,020	June 2019 to May 2020

<u>Launch of Hemp CBD line</u>		
Inventory	599,917	June to August 2019
Marketing and promotions	360,000	August 2019 to May 2020
E-commerce website	93,600	June to August 2019
Branding, artwork, packaging design and market research	100,000	
<u>Launch of Wright &amp; Well (CBD/THC line)</u>		
Inventory	295,434	June to September 2019
Marketing and promotions	<u>217,175</u>	September 2019 to May 2020
Total	<u>10,000,000</u>	

## PLAN OF DISTRIBUTION

### General

We may offer and sell the Securities, separately or together: (a) to one or more underwriters; (b) through one or more agents; or (c) directly to one or more other purchasers. The Securities offered pursuant to any Prospectus Supplement may be sold from time to time in one or more transactions at: (i) a fixed price or prices, which may be changed from time to time; (ii) market prices prevailing at the time of sale; (iii) prices related to such prevailing market prices; or (iv) other negotiated prices, including sales in transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44-102 - *Shelf Distributions*, including sales made directly on the CSE or other existing trading markets for the Securities.

We may only offer and sell the Securities pursuant to a Prospectus Supplement during the period that this Prospectus, including any amendments hereto, remains effective. The Prospectus Supplement for any of the Securities being offered thereby will set forth the terms of the offering of such Securities, including the type of Security being offered, the name or names of any underwriters or agents, the initial offering price of such Securities (or the manner of determination thereof if offered on a non-fixed price basis), the proceeds to us from such sale, any underwriting commissions or discounts and other items constituting underwriters' compensation.

The agents and/or underwriters will contractually commit not to make any offers or sales of Securities in the Territories or in the Provinces of Québec, Newfoundland & Labrador and Prince Edward Island . Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby. If, in connection with the offering of Securities at the initial offering price or prices, the underwriters have made a *bona fide* effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, and have been unable to do so, the public offering price may be decreased and thereafter further changed from time to time, to an amount not greater than the initial offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers is less than the gross proceeds paid by the underwriters to us. Any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers may be changed from time to time.

Underwriters and agents may, from time to time, purchase and sell the Securities described in this Prospectus and the relevant Prospectus Supplement in the secondary market, but are not obligated to do so. No assurance can be given that there will be a secondary market for the Securities or liquidity

on the secondary market if one develops. From time to time, underwriters and agents may make a market in the Securities.

### **By Underwriters**

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Unless otherwise set forth in the Prospectus Supplement relating thereto, the obligations of underwriters to purchase the Securities will be subject to certain conditions, but the underwriters will be obligated to purchase all of the Securities offered by the Prospectus Supplement if any of such Securities are purchased. We may offer the Securities to the public through underwriting syndicates represented by managing underwriters or by underwriters without a syndicate. The Company may agree to pay the underwriters a fee or commission for various services relating to the offering of any Securities. Any such fee or commission will be paid out of our general corporate funds. We may use underwriters with whom we have a material relationship. We will describe in the Prospectus Supplement, naming the underwriter, the nature of any such relationship.

### **By Agents**

The Securities may also be sold through agents designated by us. Any agent involved will be named, and any fees or commissions payable by us to such agent will be set forth in the applicable Prospectus Supplement. Any such fees or commissions will be paid out of our general corporate funds. Unless otherwise indicated in the Prospectus Supplement, any agent will be acting on a best efforts basis for the period of its appointment.

### **Direct Sales**

Securities may also be sold directly by us at such prices and upon such terms as agreed to by us and the purchaser. In this case, no underwriters or agents would be involved in the offering.

### **General Information**

Underwriters or agents who participate in the distribution of Securities may be entitled under agreements to be entered into with us to indemnification by us against certain liabilities, including liabilities under Canadian provincial, or to contribution with respect to payments which such underwriters or agents may be required to make in respect thereof. Such underwriters or agents may be customers of, engage in transactions with, or perform services for, us in the ordinary course of business.

We may enter into derivative transactions with third parties, or sell securities not covered by this Prospectus to third parties in privately negotiated transactions. If the applicable Prospectus Supplement indicates, in connection with those derivatives, the third parties may sell Securities covered by this Prospectus and the applicable Prospectus Supplement, including in short sale transactions. If so, the third parties may use Securities pledged by us or borrowed from us or others to settle those sales or to close out any related open borrowings of stock, and may use Securities received from us in settlement of those derivatives to close out any related open borrowings of stock. The third parties in such sale transactions will be identified in the applicable Prospectus Supplement.

One or more firms, referred to as "remarketing firms," may also offer or sell the Securities, if the Prospectus Supplement so indicates, in connection with a remarketing arrangement upon their purchase. Remarketing firms will act as principals for their own accounts or as agents for us. These remarketing firms will offer or sell the Securities in accordance with the terms of the Securities. The Prospectus Supplement will identify any remarketing firm and the terms of its agreement, if any, with

us and will describe the remarketing firm's compensation. Remarketing firms may be deemed to be underwriters in connection with the Securities they remarket.

In connection with any offering of Securities, other than an "at-the-market" distribution, underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions may be commenced, interrupted or discontinued at any time. With respect to an "at-the-market" distribution, no underwriter or dealer involved in the distribution, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer will over-allot Securities in connection with the distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

### **CONSOLIDATED CAPITALIZATION**

There have been no material changes in the consolidated share and loan capital of Yield Growth from November 30, 2018 to the date of this Prospectus.

### **EARNINGS COVERAGE**

If we offer Debt Securities having a term to maturity in excess of one year under this Prospectus and any applicable Prospectus Supplement, the applicable Prospectus Supplement will include earnings coverage ratios giving effect to the issuance of such Securities.

### **UNITED STATES REGULATION OF CANNABIS PRODUCTS**

#### **The Company's Oregon Business**

The Company has created a line of products called "Wright & Well" that will contain hemp CBD and THC. The Company has partnered with a company in Oregon called Nova Paths LLC - an Oregon Liquor Control Commission (OLCC) licensed cannabis and cannabis-related products processor and wholesale company. Nova Paths is the Company's supplier of CBD and THC, and will manufacture and distribute the Company's products in Oregon. Nova Paths has not yet commenced any manufacturing of products.

In Oregon, recreational marijuana products are overseen by the OLCC. Among other things, the OLCC requires pre-market approval of all packaging and labels of cannabis products to ensure compliance with the regulations before such products can be sold.

Under its agreements with Nova Paths, the Company will manufacture bulk product that does not contain any CBD or THC in Vancouver, British Columbia. This bulk product is shipped to Nova Paths in Oregon. Nova Paths supplies the cannabis ingredients, mixes other bulk product with isolate or other cannabis-ingredients (CBD or THC) at its OLCC licensed facility, fills the packaging, obtains label and packaging approval from the OLCC, labels our packaging with the approved labels, and arranges for all required compliance testing. Currently, Nova Paths has obtained approval from the OLCC for six of the products' packaging and labels. Nova Paths is named as the OLCC licensed party on the packaging.



## United States Federal Overview

The United States federal government regulates drugs through the *Controlled Substances Act* (the "CSA") which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I controlled substance. The U.S. Department of Justice (the "DOJ") defines Schedule I drugs, substances or chemicals as "drugs with no currently accepted medical use and a high potential for abuse." The United States Food and Drug Administration has not approved cannabis as a safe and effective drug for any condition.

State laws that permit and regulate the production, distribution and use of cannabis for adult-use or medical purposes are in direct conflict with the CSA, which makes cannabis use and possession federally illegal. Although certain states and territories of the U.S. authorize medical or adult-use cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts under federal law under any and all circumstances under the CSA. State law with respect to cannabis may neither absolve the Company of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company.

The prior U.S. administration attempted to address the inconsistencies between federal and state regulation of cannabis in a memorandum which then-Deputy Attorney General James Cole sent to all United States Attorneys in August 2013 (the "Cole Memorandum") outlining certain priorities for the DOJ relating to the prosecution of cannabis offenses. 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, processing, 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. The DOJ did not provide (and has not provided since) specific guidelines for what regulatory and enforcement systems would be deemed sufficient under the Cole Memorandum.

On January 4, 2018, U.S. Attorney General Jeff Sessions formally issued a new memorandum (the "Sessions Memorandum"), which rescinded the Cole Memorandum. The Sessions Memorandum stated, in part, that current law reflects "Congress' determination that cannabis is a dangerous drug and cannabis activity is a serious crime", and Mr. Sessions directed all U.S. Attorneys to enforce the laws enacted by Congress by following well-established principles when pursuing prosecutions related to cannabis activities. There can be no assurance that the federal government will not enforce federal laws relating to cannabis in the future.

The Company believes it is too soon to determine what prosecutorial effects will be created by the rescission of the Cole Memorandum. The sheer size of the cannabis industry, in addition to participation by state and local governments and investors, suggests that a large-scale enforcement operation would more than likely create unwanted political backlash for the DOJ and the Trump administration. It is also possible that the revocation of the Cole Memorandum could motivate Congress to reconcile federal and state laws. Regardless, cannabis remains a Schedule I controlled substance at the federal level, and neither the Cole Memorandum nor its rescission has altered that fact. The federal government of the United States has always reserved the right to enforce federal law in regard to the sale and disbursement of medical or adult-use cannabis, even if state law sanctioned such sale and disbursement. The Company believes, from a purely legal perspective, that the criminal risk today remains identical to the risk on January 3, 2018. It remains unclear whether the risk of enforcement has been altered.

Additionally, under United States federal law, it may potentially be a violation of federal money laundering statutes for financial institutions to take any proceeds from the sale of cannabis or any other Schedule I controlled substance. Canadian banks are likewise hesitant to deal with cannabis companies, due to the uncertain legal and regulatory framework of the industry. Banks and other

financial institutions, particularly those that are federally chartered in the United States, could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses. While Congress is considering legislation that may address these issues, there can be no assurance that such legislation passes.

Despite these laws, the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN") issued a memorandum on February 14, 2014 (the "FinCEN Memorandum") outlining the pathways for financial institutions to bank state-sanctioned cannabis businesses in compliance with federal enforcement priorities. The FinCEN Memorandum echoed the enforcement priorities of the Cole Memo. Under these guidelines, financial institutions must submit a Suspicious Activity Report ("SAR") in connection with all cannabis-related banking activities by any client of such financial institution, in accordance with federal money laundering laws. These cannabis-related SARs are divided into three categories - cannabis limited, cannabis priority, and cannabis terminated - based on the financial institution's belief that the business in question follows state law, is operating outside of compliance with state law, or where the banking relationship has been terminated, respectively. On the same day as the FinCEN Memorandum was published, the DOJ issued a memorandum (the "2014 Cole Memorandum") directing prosecutors to apply the enforcement priorities of the Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of cannabis-related conduct. The 2014 Cole Memorandum has been rescinded as of January 4, 2018, along with the Cole Memorandum, removing guidance that enforcement of applicable financial crimes against state-compliant actors was not a United States Department of Justice priority.

However, former Attorney General Sessions' revocation of the Cole Memorandum and the 2014 Cole Memorandum has not affected the status of the FinCEN Memorandum, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself. Though it was originally intended for the 2014 Cole Memorandum and the FinCEN Memorandum to work in tandem, the FinCEN Memorandum is a standalone document which explicitly lists the eight enforcement priorities originally cited in the Cole Memorandum. As such, the FinCEN Memorandum remains intact, indicating that the Department of the Treasury and FinCEN intend to continue abiding by its guidance. However, in the United States, it is difficult for cannabis-based businesses to open and maintain a bank account with any bank or other financial institution.

Despite the legal, regulatory, and political obstacles the cannabis industry currently faces, the industry has continued to grow. It was anticipated that the federal government would eventually repeal the federal prohibition on cannabis and thereby leave the states to decide for themselves whether to permit regulated cannabis cultivation, production and sale, just as states are free today to decide policies governing the distribution of alcohol or tobacco.

Given current political trends, however, these developments are considered unlikely in the near-term. As an industry best practice, despite the recent rescission of the Cole Memorandum, the Company abides by the following to ensure compliance with the guidance provided by the Cole Memorandum:

- ensure that its operations are compliant with all licensing requirements as established by the applicable state, county, municipality, town, township, borough, and other political/administrative divisions;
- ensure that its cannabis related activities adhere to the scope of the licensing obtained (for example: in the states where cannabis is permitted only for adult-use, the products are only sold to individuals who meet the requisite age requirements);
- implement policies and procedures to ensure that cannabis products are not distributed to minors;

- implement policies and procedures in place to ensure that funds are not distributed to criminal enterprises, gangs or cartels;
- implement an inventory tracking system and necessary procedures to ensure that such compliance system is effective in tracking inventory and preventing diversion of cannabis or cannabis products into those states where cannabis is not permitted by state law, or cross any state lines in general;
- ensure that its state-authorized cannabis business activity is not used as a cover or pretense for trafficking of other illegal drugs, is engaged in any other illegal activity or any activities that are contrary to any applicable anti-money laundering statutes; and
- ensure that its products comply with applicable regulations and contain necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and prevent impaired driving.

In addition, the Company may conduct background checks to ensure that the principals and management of its operating subsidiaries are of good character, and have not been involved with other illegal drugs, engaged in illegal activity or activities involving violence, or use of firearms in cultivation, manufacturing or distribution of cannabis. The Company will also conduct ongoing reviews of the activities of its cannabis businesses, the premises on which they operate and the policies and procedures that are related to possession of cannabis or cannabis products outside of the licensed premises, including the cases where such possession is permitted by regulation. See "Risk Factors".

## RISK FACTORS

*Prospective investors should carefully consider the risks described below, which are qualified in their entirety by reference to, and must be read in conjunction with, the other information contained in this Prospectus, any applicable Prospectus Supplement and the information incorporated by reference in this Prospectus (and in particular, the risk factors under the heading "Risk Factors" beginning at page 31 of the AIF) before purchasing Securities.*

*The risks and uncertainties described in this Prospectus, any applicable Prospectus Supplement and the information incorporated by reference herein are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business, prospects, financial condition, results of operations and cash flows and consequently the price of the our publicly traded securities could be materially and adversely affected. In all these cases, the trading price of our publicly traded securities could decline, and prospective investors could lose all or part of their investment.*

*The market price for our publicly traded securities may be volatile and your investment could suffer a decline in value.*

The market price of our publicly traded securities could be subject to significant fluctuations. Some of the factors that may cause the market price of our publicly traded securities to fluctuate include:

- volatility in the market price and trading volume of comparable companies;
- actual or anticipated changes or fluctuations in our operating results or in the expectations of market analysts;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;

- short sales, hedging and other derivative transactions in our Securities;
- litigation or regulatory action against us;
- investors' general perception of us and the public's reaction to our press releases, our other public announcements and our filings with securities regulators, including our financial statements;
- publication of research reports or news stories about us, our competitors or our industry;
- positive or negative recommendations or withdrawal of research coverage by securities analysts;
- changes in general political, economic, industry and market conditions and trends;
- sales of our securities by existing shareholders;
- recruitment or departure of key personnel;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors; and
- the other risk factors described in this section of this Prospectus and in any applicable Prospectus Supplement.

Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of our environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in the Company by those institutions, which could materially adversely affect the trading price of our publicly traded securities. 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 for a protracted period of time, our operations and the trading price of our publicly traded securities may be materially adversely affected.

In addition, broad market and industry factors may harm the market price of our publicly traded securities. Hence, the market price of our publicly traded securities could fluctuate based upon factors that have little or nothing to do with us, and these fluctuations could materially reduce the price of our securities regardless of our operating performance. In the past, following a significant decline in the market price of a company's securities, there have been instances of securities class action litigation having been instituted against that company. If we were involved in any similar litigation, we could incur substantial costs, and our management's attention and resources could be diverted, and it could harm our business, operating results and financial condition.

***There is no market through which Warrants, Units, or certain Debt Securities may be sold.***

There is no market through which Warrants, Units, or Debt Securities may be sold. There can be no assurance that an active trading market will develop for the aforementioned Securities, or if developed, that such a market will be sustained at the price level at which it was offered. The liquidity of the trading market in those securities, and the market price quoted for those Securities, may be adversely affected by, among other things:

- changes in the overall market for those Securities;

- changes in our financial performance or prospects;
- changes or perceived changes in our creditworthiness;
- the prospects for companies in the industry generally;
- the number of holders of those Securities;
- the interest of securities dealers in making a market for those Securities; and
- prevailing interest rates.

There can be no assurance that fluctuations in the trading price will not materially adversely impact on our ability to raise equity funding without significant dilution to its existing shareholders, or at all.

*Future sales or issuances of securities could decrease the value of existing securities, dilute investors' voting power and reduce our earnings per share.*

We may sell additional securities in subsequent offerings and may issue additional securities to finance operations, acquisitions or other projects. We have a large number of authorized but unissued Common Shares. We cannot predict the size of future sales and issuances of securities or the effect, if any, that such future sales and issuances of securities will have on the market price of the Securities. Sales or issuances of a substantial number of securities, or the perception that such sales could occur, may adversely affect prevailing market prices for Securities. With any additional sale or issuance of Common Shares (including securities convertible into Common Shares), investors will suffer dilution of their voting power and may experience dilution in our earnings per share.

#### ***No Prospect of Dividends***

We do not currently anticipate that any dividends will be paid on the Common Shares for the foreseeable future. As such, investors may not realize a return on their investment. See "Dividends or Distributions".

#### ***History of Operating Losses***

We have a history of operating losses and may not achieve or sustain profitability. We cannot guarantee investors that we will become profitable, and even if we achieve profitability, given the competitive and evolving nature of the industry in which we operate, we may not be able to sustain or increase profitability and our failure to do so could adversely affect our business, including our ability to raise additional funds.

#### ***Going-Concern Risk***

Our financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize our assets and satisfy our liabilities in the ordinary course of business. Our future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that we will be successful in completing equity or debt financing or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should we be unable to continue as a going concern.

## ***Competition***

We face competition in the markets in which we operate and intend to operate in the near future. Some of our competitors may be better positioned to develop superior product features and technological innovations, and able to better adapt to changing market conditions than us. Our ability to compete depends on, among other things, consistent high product quality, short lead-time, timely delivery, competitive pricing, range of product offerings and superior customer service and support. Increased competition in the markets in which we operate may force us to reduce our product prices or may result in increased costs and may have a material adverse effect on our business and operating results. Any decrease in the quality of our products or level of service to customers, or any forced decrease in product pricing may adversely affect our business and operating results.

## ***Limited Operating History and No Established Financing Sources***

Although we believe our management team has extensive knowledge of the wellness product industry and closely monitors changes in legislation with regards to recreational cannabis laws worldwide, we operate in an evolving industry that may not develop as expected. Furthermore, we were incorporated in 2014 and have a limited operating history and established financing sources. We are subject to all of the business risks and uncertainties associated with any new business. Our financial condition and results of operations will depend on many factors, including our ability to bring our products to commercial production, marketing success and continued legality of our products.

## ***Response to Market Developments***

Our future success will depend in part on our ability to modify or enhance our products to meet consumer needs. If we are unsuccessful in identifying new product opportunities or in developing or marketing new products in a timely or cost-effective manner, or if our product developments do not achieve the necessary market penetration or price levels to be profitable, our business and operating results could be adversely affected.

## ***Success of Quality Control Systems***

The quality and safety of our products are critical to the success of our business and operations. As such, it is imperative that our and our service providers' quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines.

## ***Reliance on Third-Party Suppliers and Manufacturers***

We intend to maintain a full supply chain for the production of our products. Loss of our manufacturers and suppliers would have a material adverse effect on our business and operational results. For example, hemp oil is a key component in our products and we have identified limited sources for this ingredient.

## ***Product Recalls***

Product manufacturers and distributors are sometimes required to recall or initiate returns of their products for various reasons, including product defects such as contaminations, unintended harmful side effects or interactions with other products, packaging safety and inadequate or inaccurate labeling disclosure. If any of our products are recalled, we could incur unexpected expense relating to the recall and any legal proceedings that might arise in connection with the recall. We may lose significant revenue due to loss of sales and may not be able to compensate for or replace that revenue.

### ***Product Development***

If the Company cannot successfully develop, manufacture and distribute its products, or if the Company experiences difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, the Company may not be able to develop market-ready commercial products at acceptable costs, which would adversely affect the Company's ability to effectively enter the market. A failure by the Company to achieve a low-cost structure through economies of scale or improvements in cultivation and manufacturing processes would have a material adverse effect on the Company's commercialization plans and the Company's business, prospects, results of operations and financial condition.

### ***Product Liability***

Our cosmetic products will be produced for sale both directly and indirectly to end consumers, and therefore we face an inherent risk of exposure to product liability claims, regulatory action and litigation of our products are alleged to have caused significant loss or injury. Previously unknown adverse reactions resulting from human use of our products alone or in combination with other medications or substances could occur. We may be subject to various product liability claims, including, among others, that our products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against us could result in increased costs to produce the Urban Juve Products and could have a material adverse effect on our business and operational results.

### ***Target Market Size***

Because the cannabis industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Company and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Company. There can be no assurance that the Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results. Furthermore, the size of the wellness and cosmetic consumer goods products market is large, we are an unestablished player and it will be difficult to acquire significant market share at the outset with regards to the sale of the Urban Juve Products.

### ***Effectiveness and Efficiency of Advertising and Promotional Expenditures***

Our future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional expenditures, including our ability to (i) create greater awareness of our products; (ii) determine the appropriate creative message and media mix for future advertising expenditures; and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of our technologies or services. In addition, no assurance can be given that we will be able to manage our advertising and promotional expenditures on a cost-effective basis.

### ***Promoting Our Brand***

We believe that maintaining and promoting our brand is critical to expanding our customer base. Maintaining and promoting our brand will depend largely on our ability to continue to provide quality, reliable and innovative products, which we may not do successfully. We may introduce new products or services that our customers do not like, which may negatively affect our brand and reputation. Maintaining and enhancing our brand may require us to make substantial investments, and these

investments may not achieve the desired goals. If we fail to successfully promote and maintain our brand or if we incur excessive expenses in this effort, our business and financial results from operations could be materially adversely affected.

### ***Changing Consumer Preferences***

As a result of changing consumer preferences, many holistic, cannabis or other innovative products attain financial success for a limited period of time. Even if our products find retail success, there can be no assurance that any of our products will continue to see extended financial success. Our success will be dependent upon our ability to develop new and improved product lines. Even if we are successful in introducing new products or developing our current products, a failure to continue to update them with compelling content could cause a decline in our products' popularity that could reduce our revenues and harm our business, operating results and financial condition. Our failure to introduce new features and product lines and to achieve and sustain market acceptance could result in us being unable to meet consumer preferences and generate revenue which would have a material adverse effect on our profitability and financial results from operations.

### ***Key Personnel Risk***

Our success and future growth will depend, to a significant degree, on the continued efforts of our directors and officers to develop the business and manage operations and on their ability to attract and retain key technical, scientific, sales and marketing staff or consultants. The loss of any key person or the inability to attract and retain new key persons could have a material adverse effect on our business. Competition for qualified technical, scientific, sales and marketing staff, as well as officers and directors can be intense, and no assurance can be provided that we will be able to attract or retain key personnel in the future. Our inability to retain and attract the necessary personnel could materially adversely affect our business and financial results from operations.

### ***Fluctuations in Foreign Currency Exchange Rates***

We are subject to foreign currency risk. The strengthening or weakening of the Canadian or US dollar versus other currencies will impact the translation of our net revenues generated in these foreign currencies into Canadian and US dollars. We import certain ingredients in our products from foreign countries, and so may become forced to pay higher rates for our ingredients as a result of the weakening of the Canadian or US dollar.

### ***Risks Related to our Prices***

As the market for our products matures, or as new or existing competitors introduce new products or services that compete with ours, we may experience pricing pressure and be unable to renew our agreements with existing customers or attract new customers at prices that are consistent with our pricing model and operating budget. If this were to occur, it is possible that we would have to change our pricing model or reduce our prices, which could harm our revenue, gross margin, and operating results.

### ***Requirement to Generate Cash Flow for Financial Obligations***

We currently have negative operating cash flows. Our ability to generate sufficient cash flow from operations to make scheduled payments to our contractors, service providers and merchants will depend on future financial performance, which will be affected by a range of economic, competitive, regulatory, legislative, and business factors, many of which are outside of our control. If we do not generate sufficient cash flow from operations to satisfy our contractual obligations, we may have to undertake alternative financing plans. Our inability to generate sufficient cash flow from operations or undertake alternative financing plans would have an adverse effect on our business, financial condition and results or operations, as well as our ability to satisfy our contractual obligations. Any failure to



meet our financial obligations could result in termination of key contracts, which could harm our ability to provide our products.

#### ***Uninsured or Uninsurable Risk***

We may become subject to liability for risks which are uninsurable or against which we may opt out of insuring due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for usual business activities. Payment of liabilities for which insurance is not carried may have a material adverse effect on our financial position and operations.

#### ***Conflicts of Interest Risk***

Certain of our directors and officers are, and may continue to be, involved in other business ventures in the mobile technology, hemp and holistic health industries through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors to us. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from our interests. In accordance with the *BCBCA*, directors who have a material interest in any person who is a party to a material contract or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and officers are required to act honestly and in good faith with a view to our best interests. However, in conflict of interest situations, directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to us. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavorable to us.

#### ***Travel Risks***

We see the United States as a lucrative market for the license of our Urban Juve Products. With renewed uncertainty with regards to travel to the United States if one is affiliated with the Cannabis industry, we may have to postpone or cancel plans to meet with potential licensee partners in the United States until we obtain further clarity on how the federal US laws will be applied at border crossings.

On October 9, 2018, U.S. Customs and Border Protection (CBP) issued a Statement of Clarification providing that Canadians who work in Canada's legal cannabis industry may enter the United States for non-work related reasons without negative consequences. CBP's clarification further stated that "if a traveler is found to be coming to the U.S. for reasons related to the marijuana industry, they may be deemed inadmissible."

As a result, our personnel who may travel to the US for business purposes relating to the marijuana industry are at risk for being denied entry to the US, either temporarily or permanently. This means that caution must be taken by our personnel when travelling to the US. Virtual meetings or conference calls with potential licensee partners will likely replace in-person meetings and site visits, which may negatively impact our ability to form effective partnerships in the US. We will also likely choose not to attend cannabis industry-related trade shows in the US, which may negatively impact our ability to grow our brand and industry-related contacts in the US.

#### ***Regulatory Approval and Permits***

We may be required to obtain and maintain certain permits, licenses and approvals in the jurisdictions where our products are licensed, although we do not currently anticipate that such approvals will be necessary. There can be no assurance that we will be able to obtain or maintain any necessary licenses, permits or approvals, and any material delay or inability to receive these items is likely to

delay and/or inhibit our ability to conduct our business, and would have an adverse effect on our business, financial condition and results of operations.

Achievement of the Company's business objectives are contingent, in part, upon compliance with the regulatory requirements, including those imposed by Health Canada, enacted by these government authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. We 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 government authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Company's business, results of operation and financial condition.

### ***Potential Changes in Laws and Regulations***

The Canadian regulatory regime with regards to recreational Cannabis is still not yet finalized. Changes to laws and regulations at both the federal and provincial level could have a significant impact on our ability to market and sell the Urban Juve Products, and with regards to our next phase infusion of the Urban Juve Products with Cannabis. If legislation changes such action could have a materially adverse effect on; (a) our ability to obtain lawfully sourced raw materials; and, (b) the manufacturing, marketing, distribution and sale of our products in one or multiple jurisdictions, up to and including a complete interruption of our business. Further, regulatory regimes regarding recreational Cannabis use outside of Canada remain ambiguous, especially with regards to enforcement or clashes between federal and state laws (notably in the United States). We cannot predict the nature of any future federal or provincial regulations, interpretations or applications, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on our business.

***Certain of the Company's business activities, while believed to be compliant with applicable state and local U.S. law, are illegal under U.S. federal law***

Cannabis is illegal under U.S. federal law. In those states in which the use of cannabis has been legalized, its use remains a violation of federal law pursuant to the CSA. The CSA classifies cannabis is a Schedule I controlled substance, and as such, medical and recreational cannabis use is illegal under U.S. federal law. Unless and until Congress amends the CSA with respect to cannabis (and the President approves such amendment), there is a risk that federal authorities may enforce current federal law. If that occurs, the Subsidiaries or other entities in which the Company may have an interest from time to time may be deemed to be producing, cultivating or dispensing cannabis and drug paraphernalia in violation of federal law, or the Company may be deemed to be facilitating the selling or distribution of cannabis and drug paraphernalia in violation of federal law with respect to the Company's investment in the Subsidiaries. Since federal law criminalizing the use of cannabis pre-empts state laws that legalize its use, strict enforcement of federal law regarding cannabis would harm the Company's business, prospects, results of operation, and financial condition.

The activities of the Company and its subsidiaries are, and will continue to be, subject to evolving regulation by governmental authorities. Due to the current regulatory environment in the U.S., new risks may emerge, and management may not be able to predict all such risks.

The funding by the Company of the activities of its subsidiaries cannabis industry through equity investments, loans or other forms of investment, may be illegal under the applicable federal laws of the U.S. and other applicable laws. There can be no assurances that the federal government of the U.S. or other jurisdictions will not seek to enforce the applicable laws against the Company. The consequences of such enforcement would be materially adverse to the Company and the Company's business, including its reputation, profitability, the market price of its publicly traded shares, and could result in the forfeiture or seizure of all or substantially all of the Company's assets.

The prior U.S. administration attempted to address the inconsistent treatment of cannabis under state and federal law in the Cole Memorandum which Deputy Attorney General James Cole sent to all U.S. Attorneys in August 2013 that outlined certain priorities for the DOJ relating to the prosecution of cannabis offenses. The Cole Memorandum held that enforcing federal cannabis laws and regulations 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, processing, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations was not a priority for the DOJ. The DOJ did not provide (and has not provided since) specific guidelines for what regulatory and enforcement systems would be deemed sufficient under the Cole Memorandum.

On January 4, 2018, U.S. Attorney General Jeff Sessions formally issued the Sessions Memorandum, which rescinded the Cole Memorandum effective upon its issuance. The Sessions Memorandum stated, in part, that current law reflects "Congress' determination that cannabis is a dangerous drug and cannabis activity is a serious crime", and Mr. Sessions directed all U.S. Attorneys to enforce the laws enacted by Congress and to follow well-established principles when pursuing prosecutions related to cannabis activities. There can be no assurance that the federal government will not enforce federal laws relating to cannabis in the future. Jeff Sessions resigned as U.S. Attorney General on November 7, 2018. On February 14, 2019, William Barr was confirmed as U.S. Attorney General. It is unclear what impact this development will have on U.S. federal government enforcement policy. The uncertainty of U.S. federal enforcement practices going forward and the inconsistency between U.S. federal and state laws and regulations present significant risks to the Company and its subsidiaries.

#### ***Risks Related to Potential Inability to Protect Intellectual Property***

Our success is heavily dependent upon our intellectual property and technology. We license certain of our technology from third parties and there can be no assurance that we will be able to continue licensing these rights on a continuous basis. We rely upon copyrights, trade secrets, unpatented proprietary know-how and continuing technology innovation to protect the technology that we consider important to the development of our business. We rely on various methods to protect our proprietary rights, including confidentiality agreements with our consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of our confidential information. However, despite our efforts to protect our intellectual property rights, unauthorized parties may attempt to copy or replicate our technology. There can be no assurances that the steps taken by us to protect our technology will be adequate to prevent misappropriation or independent third-party development of our technology. It is likely that other companies can duplicate a production process similar to ours. To the extent that any of the above could occur, our revenue could be negatively affected, and in the future, we may have to litigate to enforce our intellectual property rights, which could result in substantial costs and divert our management's attention and our resources.

#### ***Risks Related to Potential Intellectual Property Claims***

Companies in the retail and wholesale consumer product industries frequently own trademarks and trade secrets and often enter into litigation based on allegations of infringement or other violations of intellectual property rights. We may be subject to intellectual property rights claims in the future and our products may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and attention. An adverse determination also could prevent us from offering our products and services to others and may require that we procure substitute products or services for these members.

With respect to any intellectual property rights claim, we may have to pay damages or stop using intellectual property found to be in violation of a third party's rights. We may have to seek a license for the intellectual property, which may not be available on reasonable terms and may significantly increase our operating expenses. The technology also may not be available for license to us at all. As a

result, we may also be required to pursue alternative options, which could require significant effort and expense. If we cannot license or obtain an alternative for the infringing aspects of our business, we may be forced to limit our product and service offerings and may be unable to compete effectively. Any of these results could harm our brand and prevent us from generating sufficient revenue or achieving profitability.

### *Patent Approval*

The Company currently has several U.S. provisional patent applications filed. There is no guarantee that the patents will be issued or that the patent rights will be enforceable. Provisional patents can be utilized as priority documents for the filing of patents in Patent Co-operation Treaty countries, and including Canada, the United States, Europe, Eurasia, China, and Japan, for up to one year from the date of first filing, however, patent applications must be examined by regional patent offices before getting registered. These offices may refuse or delay the issuance the patent or will issue the patent with narrow claims for a variety of reasons, including improper inventorship. As a result, the Company could experience delays in its ability to distribute and commercialize its products, all of which would have a material adverse effect on the Company's business, results of operations and financial condition.

### *Global Economy Risk*

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. We will be dependent upon the capital markets to raise additional financing in the future while establishing a user base. Access to financing has been negatively impacted by the ongoing global economic downturn. As such, we are subject to liquidity risks in meeting development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact our ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to us and our management. If uncertain market conditions persist, the ability to raise capital could be jeopardized and thus have an adverse impact on operations and on the trading price of our Common Shares on the Exchange.

### *Trends, Risks and Uncertainties*

We have sought to identify what we believe to be the most significant risks to our business, but we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to our Common Shares.

## **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The applicable Prospectus Supplement will describe certain Canadian federal income tax consequences to an investor who is a non-resident of Canada of acquiring any Securities offered thereunder, including whether the payments of distributions on the Securities will be subject to Canadian non-resident withholding tax.

## **LEGAL MATTERS**

Unless otherwise specified in the applicable Prospectus Supplement, certain legal matters relating to the Canadian law will be passed upon on our behalf by Stikeman Elliott LLP. As at the date of this Prospectus, the partners and associates of Stikeman Elliott LLP beneficially own, directly and indirectly, less than 1% of any class of our issued and outstanding securities or securities of our affiliates or associates.

If any underwriters or dealers named in a Prospectus Supplement retain their own counsel to pass upon legal matters relating to the Securities offered thereunder, such counsel will be named in such Prospectus Supplement.

#### **AUDITOR, TRANSFER AGENT AND REGISTRAR**

Saturna Group Chartered Professional Accountants LLP is our auditor and has confirmed that it is independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Our transfer agent and registrar is Computershare Investor Services Inc. at its principal office in Vancouver, British Columbia.

#### **PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limits prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor. Rights and remedies may also be available to purchasers under U.S. law; purchasers may wish to consult with a U.S. lawyer for particulars of these rights.

Original purchasers of Warrants (if offered separately) will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such Warrant.

The contractual right of rescission will entitle such original purchasers to receive, in addition to the amount paid on original purchase of the Warrant, the amount paid upon conversion, exchange or exercise upon surrender of the underlying Securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the convertible, exchangeable or exercisable security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the Securities Act (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the Securities Act (British Columbia) or otherwise at law.

Original purchasers of warrants, or other convertible, exchangeable or exercisable securities are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the convertible, exchangeable or exercisable securities are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE ISSUER

Dated: July 18, 2019

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Nova Scotia.

(Signed) *Penny Green*  
President and Chief Executive Officer

(Signed) *Rick Huang*  
Chief Financial Officer

On behalf of the Board of Directors

(Signed) *Tom Bond*  
Director

(Signed) *Krystal Pineo*  
Director

## CERTIFICATE OF THE PROMOTERS

Dated: July 18, 2019

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Nova Scotia.

(Signed) *Penny Green*

(Signed) *Krystal Pineo*