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CANNABIS STRATEGIES ACQUISITION CORP.

Cannabis Strategies Acquisition Corp. (the “Corporation” or “CSAC” or “we” or “us”) intends to derive a substantial portion of its revenues from the cannabis industry in certain States of the United States, which industry is illegal under United States federal law. CSAC intends to be directly involved (through its licensed subsidiaries) in the cannabis industry in the United States where local state laws permit such activities.

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

In the United States, marijuana is largely regulated at the state level. State laws regulating cannabis are in direct conflict with the federal Controlled Substances Act, which makes cannabis use and possession federally illegal. Although certain states 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. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and, in case of conflict between federal and state law, the federal law shall apply.

On January 4, 2018, former United States (or U.S.) Attorney General Jeff Sessions issued a memorandum to U.S. district attorneys which rescinded previous guidance from the U.S. Department of Justice (the “DOJ”) specific to cannabis enforcement in the United States, including the Cole Memorandum.¹ With the Cole Memorandum rescinded, U.S. federal prosecutors have been given discretion in determining whether to prosecute cannabis related violations of U.S. federal law, subject to budgetary constraints.

There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress amends the Controlled Substances Act with respect to medical and/or adult-use cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that U.S. federal authorities may enforce current U.S. federal law. If the U.S. federal government begins to enforce U.S. federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, CSAC’s targets’ businesses, results of operations, financial condition and prospects and CSAC would be materially adversely affected.

¹ On August 29, 2013, the DOJ attempted to address this inconsistency and to provide guidance to enforcement agencies when then Deputy Attorney General, James Cole, authored a memorandum (the “Cole Memorandum”) addressed to all United States Attorneys acknowledging that notwithstanding the designation of cannabis as a controlled substance at the federal level in the United States, several states have enacted laws relating to cannabis for medical and recreational purposes. In March 2017, then newly-appointed Attorney General Jeff Sessions, a long-time opponent of state-regulated medical and recreational cannabis, noted limited federal resources and acknowledged that much of the Cole Memorandum had merit; however, he had previously stated that he did not believe it had been implemented effectively. On January 4, 2018, the Cole Memorandum was rescinded by then Attorney General Sessions. While this did not create a change in federal law, as the Cole Memorandum was not itself law, the revocation removed the DOJ’s guidance to U.S. Attorneys that state-regulated cannabis industries substantively in compliance with the Cole Memorandum’s guidelines should not be a prosecutorial priority.

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

EXPLANATORY NOTES

Unless otherwise indicated, the information appearing in this annual information form (“AIF”) is stated as of September 30, 2018, and all amounts are in Canadian dollars.

FORWARD-LOOKING INFORMATION

Certain statements contained in this AIF constitute “forward-looking information” for the purpose of applicable Canadian securities legislation. These statements reflect our management’s expectations with respect to future events, the Corporation’s financial performance and business prospects. All statements other than statements of historical fact are forward-looking information. The use of the words “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intends”, “may”, “might”, “plan”, “possible”, “potential”, “predict”, “project”, “shall”, “should”, “will”, “would”, and similar expressions may identify forward-looking information, but the absence of these words does not mean that a statement is not forward-looking. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated or implied in such forward-looking information. No assurance can be given that these expectations will prove to be correct and such forward-looking information included in this AIF should not be unduly relied upon. Unless otherwise indicated, these statements speak only as of the date of this AIF.

THE CORPORATION

NAME AND INCORPORATION

CSAC was incorporated under the *Business Corporations Act* (Ontario) (“**Corporations Act**”) on July 31, 2017. The head office of CSAC is located at 590 Madison Avenue, 26th Floor, New York, New York, 10022.

In connection with the Transaction (as defined herein), CSAC intends to change its name to a name to be selected by its board of directors as part of its intended continuance into British Columbia, and also intends to amend its financial year-end from September 30 to December 31.

INTERCORPORATE RELATIONSHIPS

The Corporation has no subsidiaries.

SUMMARY DESCRIPTION OF THE BUSINESS

The Corporation is a special purpose acquisition corporation formed for the purpose of effecting an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving the Corporation, which we refer to throughout this AIF as our “qualifying transaction”.

Our objective is to execute a qualifying transaction, the terms of which are determined by us to be favourable. See “*Subsequent Events*” for a description of our proposed qualifying transaction.

GENERAL DEVELOPMENT OF THE BUSINESS

On December 21, 2017, the Corporation completed its initial public offering (the **“Offering”**) of 12,500,000 Class A Restricted Voting Units at \$10.00 per Class A Restricted Voting unit (each, a **“Class A Restricted Voting Unit”**). Each Class A Restricted Voting Unit consisted of one Class A restricted voting share of the Corporation (each, a **“Class A Restricted Voting Share”**), one share purchase warrant of the Corporation (each, a **“Warrant”**) and one right of the Corporation (each, a **“Right”**). Each Class A Restricted Voting Share, unless previously redeemed, will be automatically converted into one Class B share of the Corporation (each, a **“Class B Share”**) following the closing of a qualifying transaction. All Warrants will become exercisable at a price of \$11.50 per share, subject to adjustments, commencing 65 days after the completion of a qualifying transaction, and will expire on the day that is five years after the completion of a qualifying transaction or may expire earlier if a qualifying transaction does not occur within the permitted timeline of 18 months from the closing of the Offering (**“Permitted Timeline”**) (subject to extension, as further described herein) or if the expiry date is accelerated. Each Warrant is exercisable to purchase one Class A Restricted Voting Share (which, following the closing of the qualifying transaction, will become one Class B Share) and each Right would represent the entitlement to receive, upon exercise, for no additional consideration, one-tenth (1/10) of one Class A Restricted Voting Share (following the closing of a qualifying transaction, which at such time will be one-tenth (1/10) of a Class B Share). Each Right will entitle the holder to receive one-tenth (1/10) of a Class A Restricted Voting Share following the closing of the qualifying transaction (which at such time will represent one-tenth (1/10) of a Class B Share, subject to adjustment under the terms of the qualifying transaction). In order to effect such a conversion, the holder of any Right must surrender to Odyssey Trust Company (**“Odyssey”**), in its capacity as rights agent (**“Rights Agent”**) in respect of the rights agreement between CSAC and the Rights Agent dated December 21, 2017 (**“Rights Agreement”**), the certificates or electronic positions representing the Rights held by the holder, together with a duly completed conversion form in form and manner satisfactory to the Rights Agent pursuant to the terms of the Rights Agreement. Any Right that has not been converted within two years after the completion of the qualifying transaction shall be null and void.

Concurrent with the completion of the Offering, Mercer Park CB, L.P. (the **“Sponsor”**), a limited partnership formed under the laws of the State of Delaware, indirectly controlled by Mercer Park, L.P., a privately-held family office based in New York, New York, and Kamaldeep Thindal and Charles Miles (or persons or companies controlled by them) (collectively with the Sponsor, the **“Founders”**) purchased an aggregate of 3,662,109 Class B Shares (**“Founders’ Shares”**), consisting of 3,642,109 Class B Shares purchased by the Sponsor, 10,000 Class B Shares purchased by Kamaldeep Thindal, and 10,000 Class B Shares purchased by Charles Miles, in each case assuming that the Over-Allotment Option (as defined below) was exercised in full. In addition, the Sponsor purchased an aggregate of 250,000 Class B units of the Corporation (the **“Class B Units”**) at \$10.00 per Class B Unit and 2,500,000 warrants (**“Founders’ Warrants”**) at \$1.00 per Founders’ Warrant. Each Class B Unit consisted of one Class B Share, one Warrant and one Right. The Founders’ Warrants are subject to the same terms and conditions as the Warrants underlying the Class A Restricted Voting Units and Class B Units. The Rights underlying the Class B Units are subject to the same terms and conditions as the Rights underlying the Class A Restricted Voting Units.

In connection with the Offering, the Corporation granted to Canaccord Genuity Corp., as the underwriter (the **“Underwriter”**), a 30-day non-transferable option (the **“Over-Allotment Option”**) to purchase up to an additional 1,875,000 Class A Restricted Voting Units, at a price of \$10.00 per Class A Restricted Voting Unit, to cover over-allotments, if any, and for market stabilization purposes.

On January 19, 2018, the Underwriter partially exercised its Over-Allotment Option to purchase an additional 975,000 Class A Restricted Voting Units for aggregate proceeds of \$9,750,000. As a result of the exercise of the Over-Allotment Option, an aggregate of 13,475,000 Class A Restricted Voting Units of the Corporation were issued for aggregate proceeds of \$134,750,000.

Concurrent with the exercise of the Over-Allotment Option, the Sponsor purchased an additional 121,870 Founders’ Warrants (for an aggregate purchase price of \$121,870) and 12,188 Class B Units (for an aggregate purchase price of \$121,880) for aggregate proceeds of \$243,750.

Due to the partial exercise of the Over-Allotment Option, an aggregate of 227,812 Class B Shares (also known as Founders’ Shares) were forfeited without compensation by the Founders on January 19, 2018. As a result, following the exercise of the Over-Allotment Option and forfeiture of the 227,812 Founders’ Shares,

the Founders own an aggregate of 3,434,297 Class B Shares, 262,188 Class B Units and 2,621,870 Founders' Warrants.

Each Class A Restricted Voting Unit commenced trading on December 21, 2017 on the Aequitas NEO Exchange Inc. (the "**Exchange**") under the symbol "CSA.UN", and separated into its underlying Class A Restricted Voting Shares, Warrants and Rights following the close of business on January 30, 2018, being 40 days following the closing of the Offering, which trade under the symbols "CSA.A", "CSA.WT" and "CSA.RT", respectively. The Class B Shares issued to the Founders and the Class B Units issued to the Sponsor were not listed prior to the qualifying transaction. Similarly to the Class A Restricted Voting Units, following the close of business of January 30, 2018, the Class B Units separated into their underlying Class B Shares, Warrants and Rights.

The proceeds of \$134,750,000 from the Offering and over-allotment are held by Odyssey, as escrow agent (the "**Escrow Agent**"), in an escrow account (the "**Escrow Account**"), in accordance with the escrow agreement. Subject to applicable law and payment of certain taxes, permitted redemptions and certain expenses, none of the funds held in the Escrow Account will be released to the Corporation prior to the closing of a qualifying transaction. The escrowed funds will be held to enable the Corporation to (i) satisfy redemptions made by holders of Class A Restricted Voting Shares (including in the event of a qualifying transaction or an extension to the Permitted Timeline of up to 36 months with shareholder approval from the holders of Class A Restricted Shares and the Corporation's board of directors, or in the event a qualifying transaction does not occur within the Permitted Timeline), (ii) fund a qualifying transaction with the net proceeds following payment of any such redemptions and deferred underwriting commissions, and/or (iii) pay taxes on amounts earned on the escrowed funds and certain permitted expenses. Such escrowed funds and all amounts earned, subject to such obligations and applicable law, are assets of the Corporation. These escrowed funds will also be used to pay the deferred underwriting commissions in the amount of \$4,716,250, 50% of which will be payable by the Corporation to the Underwriter only upon the closing of a qualifying transaction (subject to availability, failing which any shortfall would be required to be made up from other sources and the remaining 50% of which (or, if a lesser amount, the balance of the non-redeemed shares' portion of the Escrow Account, less tax liabilities on amounts earned on the escrowed funds and certain expenses directly related to redemptions) will be payable by the Corporation as it sees fit, subject to the terms of the underwriting agreement entered with the Underwriter in connection with the Offering ("**Underwriting Agreement**") including for payment to other agents or advisors who have assisted with or participated in the sourcing, diligence and completion of its qualifying transaction).

In connection with consummating a qualifying transaction, the Corporation will require (i) approval by a majority of the directors unrelated to the qualifying transaction, and (ii) approval by a majority of the holders of the Class A Restricted Voting Shares and Class B Shares, voting together as if they were a single class of shares, at a shareholders meeting ("**Shareholders Meeting**") held to consider the qualifying transaction, if required by the Exchange's rules at the time of the qualifying transaction. Irrespective of whether they vote for or against, or do not vote on, the proposed qualifying transaction, holders of Class A Restricted Voting Shares may elect to redeem all or a portion of their Class A Restricted Voting Shares at a per share price, payable in cash, equal to the pro-rata portion per Class A Restricted Voting Share of: (A) the escrowed funds available in the Escrow Account at the time of the Shareholders Meeting, (if required by the rules of the Exchange at the time of the qualifying transaction, or if no such Shareholders' Meeting is required, at the time immediately prior to the redemption deposit timeline), including interest and other amounts earned thereon; less (B) an amount equal to the total of (i) applicable taxes payable by the Corporation on such interest and other amounts earned in the Escrow Account and (ii) actual and expected direct expenses related to the redemption, each as reasonably determined by the Corporation, subject to certain limitations. Each holder of Class A Restricted Voting Shares, together with any affiliate of such holder or any other person with whom such holder or affiliate is acting jointly or in concert, will be subject to a redemption limitation of an aggregate 15% of the number of Class A Restricted Voting Shares issued and outstanding. Class B Shares will not be redeemable in connection with a qualifying transaction or an extension to the Permitted Timeline and holders of Class B Shares shall not be entitled to access the Escrow Account should a qualifying transaction not occur within the Permitted Timeline.

If the Corporation is unable to complete its qualifying transaction within the Permitted Timeline (or an extension of the Permitted Timeline), all of the Class A Restricted Voting Shares will be automatically redeemed and each holder of a Class A Restricted Voting Share will receive an amount, payable in cash,

equal to the pro-rata portion per Class A Restricted Voting Share of: (A) the escrowed funds in the Escrow Account, including any interest and other amounts earned; less (B) an amount equal to the total of (i) any applicable taxes payable by the Corporation on such interest and other amounts earned in the Escrow Account, (ii) any taxes of the Corporation arising in connection with the redemption of the Class A Restricted Voting Shares, and (iii) up to a maximum of \$50,000 of interest and other amounts earned to pay actual and expected expenses related to the dissolution and certain other related costs as reasonably determined by the Corporation. The Underwriter will have no right to the deferred underwriting commissions held in the Escrow Account in such circumstances.

During the fiscal year and subsequent thereto, the Corporation's focus has been to identify a target business to effectuate a qualifying transaction.

SUBSEQUENT EVENTS

The Corporation's Qualifying Transaction

On October 17, 2018, the Corporation and its wholly-owned subsidiary, CSAC Acquisition Inc. ("**CSAC AcquisitionCo**") announced that it had entered into five definitive agreements (the "**Definitive Agreements**") to concurrently acquire the target businesses of Washoe Wellness, LLC ("**Washoe**"), The Canopy NV, LLC ("**Canopy**"), Sira Naturals, Inc. ("**Sira**"), LivFree Wellness, LLC ("**LivFree**") and CannaPunch of Nevada LLC ("**CannaPunch**", and collectively with Washoe, Canopy, Sira and LivFree, the "**Target Businesses**" or the "**Anchor Portfolio**"), which are intended to constitute CSAC's qualifying transaction (the "**Transaction**").

CSAC and CSAC AcquisitionCo entered into the following Definitive Agreements to acquire the Target Businesses:

- Equity Exchange Agreement dated as of October 17, 2018, among Green Partners Investor LLC and Green Partners Sponsor I, LLC as the shareholders of Sira, Louis Karger as sellers' representative, Sira, CSAC AcquisitionCo and CSAC;
- Asset Purchase Agreement dated as of October 17, 2018, among Canopy, Lemon Aide, LLC, Kynd-Strainz, LLC, CSAC AcquisitionCo and CSAC;
- Equity Purchase Agreement dated as of October 17, 2018, among the members of Washoe, Mark Pitchford as sellers' representative, Washoe, CSAC AcquisitionCo and CSAC;
- Equity Purchase Agreement, dated as of October 17, 2018, among the members of LivFree, Steve Menzies as sellers' representative, LivFree, CSAC AcquisitionCo and CSAC; and
- Equity Purchase Agreement dated as of October 17, 2018, among Mark Smith and Daniel Griffin as the members of Cannapunch, Cannapunch, Mark Smith as sellers' representative, CSAC AcquisitionCo and CSAC.

The description of the Definitive Agreements, is a summary only, is not exhaustive and is qualified in its entirety by reference to the terms of the Definitive Agreements, which may be found on CSAC's profile on SEDAR at www.sedar.com.

The Transaction, upon closing, will create a combined enterprise with a strong combination of high-quality assets anchoring the Eastern and Western United States. Assuming closing of the Transaction, CSAC will own three cultivation and production facilities and eight dispensaries, in addition to key licenses. Following successful completion of the Transaction, CSAC plans to seek additional growth opportunities through synergy realization, organic growth, expansion of the existing Anchor Portfolio footprint, securing of new licenses and further acquisition activity.

Aggregate consideration for the Transaction payable by CSAC will be comprised of a combination of cash, equity and debt, as follows:

- an aggregate of approximately US\$75.92 million in cash, which equals approximately \$99 million as at October 17, 2018;

- the issuance of approximately 7.6 million Class B Shares (upon the exchange of an equal number of Exchangeable Shares (as defined below)); and
- the issuance of promissory notes and the assumption of debt in an aggregate amount of approximately US\$44 million, which equals approximately \$57 million as at October 17, 2018.

As part of the Transaction, CSAC intends to issue approximately 7.6 million exchangeable shares of CSAC AcquisitionCo (the “**Exchangeable Shares**”) to the vendors of the Target Businesses, which are exchangeable, on a one-for-one basis, for Class B Shares of CSAC, as the resulting issuer, at the option of the holder, subject where applicable to certain contractual lock-up restrictions, and are designed to be economically equivalent (without taking into account tax consequences) to the Class B Shares. True-up provisions apply in certain cases.

In Nevada, pending final regulatory approval of certain license transfers, CSAC (or its wholly-owned subsidiary) may enter into management services and related agreements with one or more of the Target Businesses, designed to provide CSAC with economically equivalent interests on an interim basis until such time as all necessary approvals are obtained. The board of directors of CSAC has unanimously approved the Transaction and determined that it is fair and in the company’s best interests. Subject to receipt of applicable regulatory and other approvals, and satisfaction or waiver of all closing conditions, completion of the Transaction is currently expected to occur in the first quarter of 2019. There is no assurance that all or any of the acquisitions of the Target Businesses will be completed or, if completed, will be on terms that are exactly the same as disclosed in this AIF or the Preliminary Non-Offering Prospectus (as defined below).

Cannabis Market Overview

The legalization and regulation of marijuana for medical use is being implemented at the state level in the United States. **State laws regulating cannabis are in direct conflict with the federal Controlled Substances Act, which makes cannabis use and possession federally illegal. Although certain states and territories of the United States authorize medical or adult-use cannabis production and distribution by licensed or registered entities, under United States 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 Controlled Substances Act. Although the Target Businesses’ activities are compliant with applicable United States state and local law, strict compliance with state and local laws with respect to cannabis may neither absolve CSAC of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against CSAC.**

As of September 30, 2018, 100% of each of the Target Businesses’ businesses was directly derived from United States cannabis-related activities, based on the existing operations of each of the Target Businesses. As such, each of the Target Businesses’ balance sheet and operating statement exposure to United States cannabis related activities is 100%.

Summary of the Transaction

After the Transaction, assuming no redemptions of any Class A Restricted Voting Shares, CSAC expects to have 26.2 million shares outstanding, assuming the exchange of all Exchangeable Shares. In addition, 16,359,058 Warrants with an exercise price of \$11.50 per share are expected to be outstanding, as are Rights to acquire an additional 1.35 million shares. The fully diluted share count at such date is expected to be approximately 42.6 million shares, as more fully described below, before giving effect to any potential future employee stock option plan.

Please see the preliminary non-offering prospectus of CSAC dated December 10, 2018 (the “**Preliminary Non-Offering Prospectus**”) for a more detailed description of the Transaction.

RISK FACTORS

The risks inherent in our business are described in the Corporation’s initial public offering prospectus dated December 14, 2017 (“**Final Prospectus**”) and the Corporation’s material change report in connection with its

proposed qualifying transaction dated October 29, 2018, in both documents under the heading “*Risk Factors*,” which are hereby incorporated by reference in this AIF and are available on the System for Electronic Document Retrieval and Analysis (“**SEDAR**”) at www.sedar.com.

DIVIDENDS

We have not paid any cash dividends on our shares to date. Class A Restricted Voting Shares and Class B Shares would be entitled to dividends on an equal per share basis, if, as and when declared by the board of directors of the Corporation. However, we do not intend to declare or pay any cash dividends prior to the completion of our qualifying transaction. The payment of cash dividends in the future following the completion of our qualifying transaction will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition and will be at the discretion of our existing board of directors at that time.

DESCRIPTION OF SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Class A Restricted Voting Shares and an unlimited number of Class B Shares, each without nominal or par value. The Class A Restricted Voting Shares are “restricted securities” within the meaning of such term under applicable Canadian securities laws. The following description summarizes the material terms of our share capital. Because it is only a summary, it may not contain all the information that is important to you. For a complete description, please refer to our certificate and articles of incorporation, as amended, by-laws, the warrant agency agreement (the “**Warrant Agreement**”) dated December 21, 2017, between the Corporation and Odyssey, as the warrant agent (the “**Warrant Agent**”), and the Rights Agreement, each of which are filed on SEDAR at www.sedar.com.

As of September 30, 2018, the Corporation had the following securities outstanding:

Class A Restricted Voting Shares	13,475,000
Class B Shares	3,696,485
Warrants	16,359,058
Rights	13,737,188

Class A Restricted Voting Shares

In connection with the Offering, the Corporation issued 12,500,000 Class A Restricted Voting Shares. Additionally, the Corporation granted the Underwriter the Over-Allotment Option to purchase up to an additional 1,875,000 Class A Restricted Voting Shares. On January 19, 2018, the Underwriter partially exercised its Over-Allotment Option to purchase an additional 975,000 Class A Restricted Voting Units for aggregate proceeds of \$9,750,000. As a result of the exercise of the Over-Allotment Option, an aggregate of 13,475,000 Class A Restricted Voting Units of the Corporation were issued. Upon the closing of a qualifying transaction, each Class A Restricted Voting Share will, unless previously redeemed, be automatically converted into one Class B Share, as adjusted for stock splits or combinations, stock dividends, extraordinary dividends, reorganizations and recapitalizations.

The holders of Class A Restricted Voting Shares are entitled to vote on the qualifying transaction and any other related matters at any Shareholders Meeting, if required by the Exchange’s rules at the time of the qualifying transaction (the Class A Restricted Voting Shares would vote together with the Class B Shares, as if they were a single class of shares). The Corporation’s Class A Voting Shares and Class B Shares represent approximately 78.5% and 21.5%, respectively, of the total issued and outstanding shares in the capital of the Corporation. In order to seek to ensure that the holders of the Class A Restricted Voting Shares and the Class B Shares vote together, as if they were a single class, on a qualifying transaction, the separate class voting rights prescribed by the Corporations Act in respect of an exchange, reclassification or

cancellation of each such class of shares will be removed, as permitted by the Corporations Act, in respect of any such exchange, reclassification or cancellation carried out in connection with a qualifying transaction that affects both classes of shares and that preserves economically the redemption rights in respect of a qualifying transaction of, and the conversion features of, the Class A Restricted Voting Shares.

Prior to any Shareholders Meeting at which a qualifying transaction is approved (if required by the Exchange's rules at the time of the qualifying transaction), holders of the Class A Restricted Voting Shares are not entitled to vote at (or receive notice of, or meeting materials in connection with) meetings held only to consider the election and/or removal of directors and auditors.

Only holders of Class A Restricted Voting Shares would be entitled to redeem their shares, as further described below, and receive the escrow proceeds (net of applicable taxes and other permitted deductions): (i) in the event a qualifying transaction does not occur within the Permitted Timeline, (ii) in the event of a qualifying transaction, and (iii) in the event of an extension to the Permitted Timeline. The holders of Class A Restricted Voting Shares have no pre-emptive rights or other subscription rights and there are no sinking fund provisions applicable to these shares.

In conjunction with any qualifying transaction or to vote on an extension to the Permitted Timeline, we will provide holders of our Class A Restricted Voting Shares, whether they vote for or against, or do not vote on, the qualifying transaction (if required) or the extension to the Permitted Timeline, as applicable, with the opportunity to redeem all or a portion of their Class A Restricted Voting Shares. Notwithstanding the foregoing redemption right, each holder of Class A Restricted Voting Shares, together with any affiliate of such holder or any other person with whom such holder or affiliate is acting jointly or in concert, will be subject to a redemption limitation of an aggregate of 15% of the number of Class A Restricted Voting Shares issued and outstanding following the closing of the Offering. For greater certainty, such redemption limitation would not apply in the event of: (i) an extension to the Permitted Timeline, (ii) an automatic redemption which would occur if a qualifying transaction is not consummated within the Permitted Timeline, or (iii) the winding-up or dissolution of the Corporation.

If we are unable to consummate a qualifying transaction within the Permitted Timeline, we will be required to redeem, as promptly as reasonably possible, on an automatic redemption date specified by the Corporation (such date to be within 10 days following the last day of the Permitted Timeline), all of the outstanding Class A Restricted Voting Shares.

Holders of Class A Restricted Voting Shares who redeem or sell their Class A Restricted Voting Shares will continue to have the right to exercise any Warrants or convert any Rights they may hold if the qualifying transaction is consummated. Based on the initial \$125,000,000 placed in escrow (and assuming no exercise of the Over-Allotment Option), an assumed interest rate of approximately 0.90% per annum, if the Escrow Account remains in place for 18 months from the date of the Offering (and a qualifying transaction has not been completed), the cash held in the Escrow Account would be expected to grow from the initial \$10.00 per Class A Restricted Voting Unit (now per Class A Restricted Voting Share) sold to the public to approximately \$10.13 per Class A Restricted Voting Share, before applicable taxes and other permitted deductions. Following the closing of our qualifying transaction, these escrowed funds in the Escrow Account will be used to pay the deferred underwriting commissions in the amount of \$4,716,250, 50% of which will be payable by the Corporation to the Underwriter only upon the closing of a qualifying transaction (subject to availability, failing which any shortfall would be required to be made up from other sources and the remaining 50% of which (or, if a lesser amount, the balance of the non-redeemed shares' portion of the Escrow Account, less tax liabilities on amounts earned on the escrowed funds and certain expenses directly related to redemptions) will be payable by the Corporation as it sees fit, subject to the terms of the Underwriting Agreement, including for payment to other agents or advisors who have assisted with or participated in the sourcing, diligence and completion of its qualifying transaction).

Class B Shares

The Founders own an aggregate of 3,696,485 Class B Shares. Concurrent with the completion of the Offering, the Founders purchased an aggregate of 3,662,109 Founders' Shares, consisting of 3,642,109 Class B Shares purchased by the Sponsor, 10,000 Class B Shares purchased by Kamaldeep Thindal, and

10,000 Class B Shares purchased by Charles Miles (or, in each case, by companies controlled by them). Up to 474,609 of such Founders' Shares (which are Over-Allotment Forfeitable Founders' Shares) were subject to forfeiture by the Founders without compensation depending on the extent to which the Over-Allotment Option was exercised by the Underwriter. On January 19, 2018, the Underwriter exercised its Over-Allotment Option to purchase an additional 975,000 Class A Restricted Voting Units. Due to the partial exercise of the Over-Allotment Option, an aggregate of 227,812 Class B Shares were forfeited without compensation by the Founders. As a result, following the exercise of the Over-Allotment Option and forfeiture of the 227,812 Founders' Shares, the Founders own an aggregate of 3,696,485 Class B Shares.

The Class B Shares are not be entitled to access, or benefit from, the proceeds in the Escrow Account and do not possess any redemption rights. The Founders will, however, be entitled to benefit from the proceeds in the Escrow Account for redemptions with respect to any Class A Restricted Voting Shares they may purchase during or following the Offering if we fail to complete our qualifying transaction within the Permitted Timeline, or seek an extension to the Permitted Timeline. Subject to the prior rights of the holders of Class A Restricted Voting Shares, and whether prior to or following the Permitted Timeline, the Class B Shares would be entitled to receive the remaining property and assets of the Corporation available for distribution, after payment of liabilities, upon the winding-up or liquidation of the Corporation, whether voluntary or involuntary, subject to applicable law. The holders of the Founders' Shares have no pre-emptive rights or other subscription rights and there are no sinking fund provisions applicable to these shares.

Each of the Founders agreed (a) pursuant to a forfeiture and transfer restrictions agreement and undertaking dated December 14, 2017, entered into by each of the Founders in favour of CSAC and the Underwriter (the **"Forfeiture and Transfer Restrictions Agreement and Undertaking"**), not to transfer any of his Founders' Shares until the earlier of: one year following completion of the qualifying transaction, and the closing share price of the Class B Shares equaling or exceeding \$12.00 per share (as adjusted for stock splits or combinations, stock dividends, extraordinary dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period at any time following the closing of the qualifying transaction, subject to applicable securities laws, the Exchange rules and applicable escrow requirements, (b) pursuant to an exchange agreement and undertaking dated December 14, 2017 entered into by each of the Founders in favour of the Exchange (the **"Exchange Agreement and Undertaking"**), not to transfer any of its Founders' Shares until after the closing of the qualifying transaction, and (c) pursuant to the Forfeiture and Transfer Restrictions Agreement and Undertaking and the Exchange Agreement and Undertaking, not to transfer any of its Class B Units (or any Class B Shares, Warrants or Rights forming part of the Class B Units), Founders' Shares or Founders' Warrants, as applicable, until after the closing of the qualifying transaction. In each case, permitted transfers, including transfers required due to the structuring of the qualifying transaction, would be exempt, in which case the restrictions in paragraph (a) above would apply to the securities received in connection with the qualifying transaction.

Pursuant to the Forfeiture and Transfer Restrictions Agreement and Undertaking, 25% of the Founders' Shares held by each of the Founders (the **"Founders' Forfeiture Shares"**) will be subject to forfeiture by the Founders on the fifth anniversary of the qualifying transaction unless the closing share price of the Class B Shares exceeds \$13.00 (as adjusted for stock splits or combinations, stock dividends, extraordinary dividends, reorganizations and recapitalizations) for any 20 trading days within a 30-trading day period at any time following the closing of the qualifying transaction. The Founders' Forfeiture Shares will be subject to additional transfer restrictions until the foregoing \$13.00 closing Class B Share price forfeiture condition is satisfied, at which point they will, as applicable, become subject to the same ongoing restrictions applicable to the other Founders' Shares at that time (which may include escrow restrictions applicable to the Founders' Shares and any other restrictions mandated by the Exchange or described in herein). The Founders' Forfeiture Shares cannot be transferred until fulfillment of the foregoing conditions and will still be subject to all of the restrictions applicable to the other Founders' Shares, as described in the Final Prospectus. The Class B Units (including the shares acquired upon exercise of the Warrants and conversion of the Rights) will not be subject to forfeiture based on performance.

At or prior to the Closing, the Founders will agree pursuant to the Forfeiture and Transfer Restrictions Agreement and Undertaking or the Exchange Agreement and Undertaking, as applicable, that in the event that the required consent to effect a transfer of their respective securities is obtained, as a condition to such

transfer, they shall cause any transferee of such securities to become a party to the applicable agreement, and be bound by the terms and conditions therein.

Any Class A Restricted Voting Shares purchased by our Founders would not be subject to the restrictions set out in the Forfeiture and Transfer Restrictions Agreement and Undertaking or the Exchange Agreement and Undertaking.

Except for the voting right variations described above under “*Class A Restricted Voting Shares*” in respect of the election and/or removal of directors and auditors prior to the closing of a qualifying transaction, and with the exception of an extension of the Permitted Timeline and except as required by law, the voting rights of holders of Class B Shares will otherwise be identical to those applicable to the publicly held Class A Restricted Voting Shares. Following the closing of the qualifying transaction, as applicable, the holders of the Class B Shares (including those into which any remaining Class A Restricted Voting Shares have been converted) will also be entitled to receive any dividends on an equal per share basis if, as and when declared by our board of directors. See “*Dividends*”.

Permitted Transfers

Notwithstanding the foregoing, subject to Exchange approval, transfers of the Class B Shares and Founders’ Warrants are permitted by our Sponsor, its affiliates and their respective permitted transferees: (i) to the Corporation’s officers or directors, any affiliates or family members of any of the Corporation’s officers or directors, any members of the Sponsor or their affiliates, or any affiliates of the Sponsor; (ii) in the case of an individual, by gift or transfer to a member(s) of the individual’s immediate family or to a trust, the beneficiary of which is a member of one of the individual’s immediate family, an affiliate of such person, or in the case of any person or corporation entity, by gift or transfer to a charitable organization; (iii) in the case of an individual, by virtue of laws of descent and distribution upon the death of the individual; (iv) in the case of an individual, pursuant to a qualified domestic relations order; (v) by private sales or transfers made in connection with the consummation of a qualifying transaction at prices no greater than the price at which the Class B Shares were originally purchased (as adjusted); (vi) in the event of the Corporation’s liquidation, bankruptcy or dissolution prior to the completion of a qualifying transaction; or (vii) in the event the Corporation’s liquidation, merger, arrangement, share exchange or other similar transaction which results in all of the holders of Class B Shares receiving in exchange for or having the right to exchange their Class B Shares for cash, securities or other property subsequent to the completion of a qualifying transaction; provided however, in each case, the permitted transferee must enter into a written agreement agreeing to be bound by the same transfer restrictions. Following completion of the qualifying transaction, the Founders’ Shares and the Founders’ Warrants (including the Class B Shares issuable on exercise of the Founders’ Warrants) may be subject to certain sale or transfer restrictions in accordance with applicable securities laws.

Warrants

There are an aggregate of 16,359,058 Warrants outstanding. Each Warrant entitles the registered holder to purchase one Class A Restricted Voting Share (and upon the closing of a qualifying transaction, each whole Warrant would represent the entitlement to purchase one Class B Share). The Warrants will become exercisable only commencing 65 days after the completion of our qualifying transaction. Each whole Warrant is exercisable to purchase one Class A Restricted Voting Share. As the outstanding Class A Restricted Voting Shares will have been automatically converted into Class B Shares, each whole Warrant outstanding will be exercisable for one Class B Share, and at no time are the Warrants expected to be exercisable for Class A Restricted Voting Shares.

The Warrant Agreement provides that the exercise price and number of Class B Shares issuable on exercise of the Warrants may be adjusted in certain circumstances, including in the event of a stock dividend, extraordinary dividend or a recapitalization, reorganization, merger or consolidation. The Warrants will not, however, be adjusted for issuances of Class B Shares at a price below their exercise price. Once the Warrants become exercisable, we may accelerate the expiry date of the outstanding Warrants (excluding the Founders’ Warrants but only to the extent still held by our Sponsor at the date of public announcement of such acceleration and not transferred prior to the accelerated expiry date, due to the anticipated knowledge by our Sponsor of material undisclosed information which could limit their flexibility) by providing 30 days’

notice if, and only if, the closing share price of the Class B Shares equals or exceeds \$18.00 per Class B Share (as adjusted for stock splits or combinations, stock dividends, extraordinary dividends, reorganizations and recapitalizations and the like) for any 20 trading days within a 30-trading day period, in which case the expiry date shall be the date which is 30 days following the date on which such notice is provided.

The exercise of the Warrants by any holder in the United States, or that is a U.S. Person (as such term is defined in Regulation S of the United States Securities Act of 1933 (the “**U.S. Securities Act**”), may only be effected in compliance with an exemption from the registration requirements of the U.S. Securities Act and applicable state “blue sky” securities laws.

At the election of the holder, the Warrants may be exercised through cashless exercise. A cashless exercise permits the holder, in lieu of making a cash payment on exercise, to instead elect to surrender its Warrants and receive the number of Class B Shares that is equal to the quotient obtained by multiplying (i) the number of Class B Shares for which the Warrant is being exercised by (ii) the difference between the volume weighted average price of the Class B Shares on the Exchange for the 20 trading days immediately prior to (but not including) the date of exercise of the Warrant and the exercise price in effect on the date immediately prior to (but not including) the date of exercise of the Warrant, and dividing such product by the volume weighted average price of the Class B Shares on the Exchange for the 20 trading days immediately prior to (but not including) the date of exercise.

The right to exercise will be forfeited unless the Warrants are exercised prior to the date specified in the notice of acceleration of the expiry date. On and after the accelerated expiry date, a record holder of a Warrant will have no further rights. Warrants may be exercised only for a whole number of shares. No fractional shares will be issued upon exercise of the Warrants. If, upon exercise of the Warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number of shares to be issued to the Warrant holder.

In no event would the Warrants be entitled to escrow account proceeds. The Warrant holders do not have the rights or privileges of holders of shares and any voting rights until they exercise their Warrants and receive corresponding shares. After the issuance of corresponding shares upon exercise of the Warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by shareholders. On the exercise of any Warrant, the Warrant exercise price will be \$11.50, subject to adjustments as described in the Final Prospectus.

The Warrant Agent shall, on receipt of a written request of the Corporation or holders of not less than 25% of the aggregate number of Warrants then outstanding, convene a meeting of holders of Warrants upon at least 21 calendar days’ written notice to holders of Warrants. Every such meeting shall be held in Toronto, Ontario or at such other place as may be approved or determined by the Warrant Agent. A quorum at meetings of holders of Warrants shall be two persons present in person or represented by proxy holding or representing more than 20% of the aggregate number of Warrants then outstanding.

From time to time, the Corporation and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Agreement for certain purposes including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Agreement that adversely affects the interests of the holders of Warrants may only be made by an “extraordinary resolution”, which is defined in the Warrant Agreement as a resolution either (i) passed at a meeting of the holders of Warrants by the affirmative vote of holders of Warrants representing not less than two-thirds of the aggregate number of the then outstanding Warrants represented at the meeting and voted on such resolution, or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than two-thirds of the aggregate number of the then outstanding Warrants.

The Warrants will expire at 5:00 p.m. (Toronto time) on the day that is five years after the completion of our qualifying transaction or may expire earlier if a qualifying transaction does not occur within the Permitted Timeline or if the expiry date is accelerated, as described above.

The Warrants forming part of the Class B Units issued to our Founders will be identical to the Warrants

forming part of the Class A Restricted Voting Units. Our Sponsor has agreed, pursuant to the Forfeiture and Transfer Restrictions Agreement and Undertaking, that it will not, except if required due to the structuring of the qualifying transaction, in which case such restriction will apply to the securities received in connection with the qualifying transaction, transfer any of its Class B Units (or any of its Class B Shares or Warrants underlying its Class B Units) until a date that is 30 days after the closing of the qualifying transaction, subject to applicable securities laws.

Rights

There are an aggregate of 13,475,000 Rights outstanding. Each Right will entitle the holder to receive one-tenth (1/10) of a Class A Restricted Voting Share following the closing of the qualifying transaction (which at such time will represent one-tenth (1/10) of a Class B Share, subject to adjustment under the terms of the qualifying transaction). In order to effect such a conversion, the holder of any Right must surrender to the Rights Agent, in respect of the Rights Agreement, certificates or electronic positions representing the Rights held by the holder, together with a duly completed conversion form in form and manner satisfactory to the Rights Agent pursuant to the terms of the Rights Agreement. Any Right that has not been converted within two years after the completion of the qualifying transaction shall be null and void.

Rights will only be converted for a whole number of shares. No fractional shares will be issued upon conversion of the Rights. If, upon conversion of the Rights, a holder would be entitled to receive a fractional interest in a share, we will, upon conversion, round down to the nearest whole number of shares to be issued to the Right holder. As a result, holders must hold Rights in multiples of 10 in order to receive Class B Shares for all of his, her or its Rights following the closing of the qualifying transaction.

The Rights will expire if a qualifying transaction does not occur within the Permitted Timeline. The Rights will not have any access to, or benefit from, the proceeds in the Escrow Account, and will not possess any redemption or distribution rights. The Rights will expire worthless if we fail to consummate our qualifying transaction within the Permitted Timeline. Any Right that has not been converted within two years after the completion of our qualifying transaction shall be null and void.

All Rights are excluded from voting in respect of the qualifying transaction. Holders of Rights will retain such Rights whether they vote for, against or do not vote any Class A Restricted Voting Shares in respect of the qualifying transaction and whether or not they redeem all or a portion of such shares.

The Rights Agreement will provide that the number of Class B Shares issuable on conversion of the Rights may be adjusted in certain circumstances, including in the event of a recapitalization, reorganization, merger or consolidation. The Rights Agreement will also provide the mechanism pursuant to which holders of Rights, including beneficial holders of Rights held through CDS Clearing and Depository Services Inc., or its nominee, may convert his, her or its Rights following the closing of the qualifying transaction.

In no event would the Rights be entitled to Escrow Account proceeds. The Right holders do not have the rights or privileges of holders of shares or any voting rights until the Rights are converted following the closing of the qualifying transaction and such holders receive corresponding Class B Shares. After the issuance of the corresponding Class B Shares upon conversion of the Rights, each holder is expected to be entitled to one vote for each Class B Share held of record on all matters to be voted on by shareholders.

The Rights Agent shall, on receipt of a written request of the Corporation or holders of not less than 25% of the aggregate number of Rights then outstanding, convene a meeting of holders of Rights upon at least 21 calendar days' written notice to holders of Rights. Every such meeting shall be held in Toronto, Ontario or at such other place as may be approved or determined by the Rights Agent. A quorum at meetings of holders or Rights shall be two persons present in person or represented by proxy holding or representing more than 20% of the aggregate number of Rights then outstanding.

From time to time, the Corporation and the Rights Agent, without the consent of the holders of Rights, may amend or supplement the Rights Agreement for certain purposes including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Rights. Any amendment or supplement to the Rights Agreement that adversely affects the interests of the holders of Rights may only be

made by an “extraordinary resolution”, which is defined in the Rights Agreement as a resolution either (i) passed at a meeting of the holders of Rights by the affirmative vote of holders of Rights representing not less than two-thirds of the aggregate number of the then outstanding Rights represented at the meeting and voted on such resolution, or (ii) adopted by an instrument in writing signed by the holders of Rights representing not less than two-thirds of the aggregate number of the then outstanding Rights.

Rights may only be converted by U.S. Persons who are Qualified Institutional Buyers (as defined in Rule 144A of the U.S. Securities Act) or accredited investors or where the Corporation has otherwise availed itself of an exemption from registration under the U.S. Securities Act.

MARKET FOR SECURITIES

TRADING PRICE AND VOLUME

As of December 18, 2018 the closing price of the Class A Restricted Voting Shares was \$14.18, the closing price of the Warrants was \$3.75, and the closing price of the Rights was \$1.30.

Each Class A Restricted Voting Unit commenced trading on December 21, 2017, upon closing of the Offering, on the Exchange under the symbol “CSA.UN”.

Effective following close of business on January 30, 2018, the securities underlying the Corporation’s Class A Restricted Voting Units commenced trading separately on the Exchange under the symbols “CSA.A” for the Class A Restricted Voting Shares, “CSA.WT” for the Warrants and “CSA.RT” for the Rights. The Class B Shares issued to the Founders and the Class B Units (now Class B Shares) issued to the Sponsor are not listed.

Class A Restricted Voting Shares

The following table sets forth information relating to the price range and volume traded for the Class A Restricted Voting Shares (NEO:CSA.A) on a monthly basis for each month in the fiscal period ended September 30, 2018 in which the Class A Restricted Voting Units were listed for trading:

Month	High Price (\$)	Low Price (\$)	Traded Volume
September 2018	\$11.95	\$11.10	5,370,445
August 2018	\$10.50	\$9.85	1,297,954
July 2018	\$10.05	\$9.85	1,477,691
June 2018	\$9.95	\$9.85	3,325,380
May 2018	\$9.90	\$9.75	275,244
April 2018	\$9.95	\$9.70	609,945
March 2018	\$9.75	\$9.65	71,875
February 2018	\$9.70	\$9.51	390,395
January 2018	\$9.75	\$9.40	208,950
December 2017	--	--	--
November 2017	--	--	--

Month	High Price (\$)	Low Price (\$)	Traded Volume
October 2017	--	--	--

Class A Restricted Voting Units

The following table sets forth information relating to the price range and volume traded for the Class A Restricted Voting Units (NEO:CSA.UN) on a monthly basis for each month in the fiscal period ended September 30, 2018 in which the Class A Restricted Voting Units were listed for trading:

Month	High Price (\$)	Low Price (\$)	Traded Volume
January 2018	\$10.25	\$9.95	942,286
December 2017	\$10.00	\$9.90	305,495

Warrants

The following table sets forth information relating to the price range and volume traded for the Warrants (NEO:CSA.WT) on a monthly basis for each month in the fiscal period ended September 30, 2018 in which the Warrants were listed for trading:

Month	High Price (\$)	Low Price (\$)	Traded Volume
September 2018	\$2.20	\$1.20	2,466,231
August 2018	\$1.50	\$1.15	1,018,016
July 2018	\$1.40	\$0.90	1,341,331
June 2018	\$0.85	\$0.70	301,511
May 2018	\$0.81	\$0.65	602,915
April 2018	\$0.75	\$0.60	57,330
March 2018	\$0.75	\$0.50	26,000
February 2018	\$0.75	\$0.50	3,221,700
January 2018	\$1.00	\$0.65	637,200
December 2017	--	--	--
November 2017	--	--	--
October 2017	--	--	--

Rights

The following table sets forth information relating to the price range and volume traded for the Rights (NEO:CSA.RT) on a monthly basis for each month in the fiscal period ended September 30, 2018 in which the Warrants were listed for trading:

Month	High Price (\$)	Low Price (\$)	Traded Volume
September 2018	\$1.10	\$0.95	655,604
August 2018	\$0.90	\$0.75	1,135,300
July 2018	\$0.80	\$0.70	657,640
June 2018	\$0.60	\$0.50	91,000
May 2018	\$0.60	\$0.40	203,540
April 2018	\$0.65	\$0.53	13,050
March 2018	\$0.53	\$0.40	2,000
February 2018	\$0.40	\$0.35	3,044,400
January 2018	\$0.40	\$0.25	153,700
December 2017	--	--	--
November 2017	--	--	--
October 2017	--	--	--

PRIOR SALES

The following table sets forth the details regarding all issuances of shares, including issuances of all securities convertible or exchangeable into shares, up until the date of this AIF.

Date(s)	Type of Security Issued	Issuance/Exercise Price per Security	Number of Securities Issued
September 25, 2017; December 14, 2017; December 21, 2017; January 19, 2017	Class B Shares	\$10.00 \$0.0068	3,696,486 ⁽¹⁾
December 21, 2017; January 19, 2018	Class A Restricted Voting Units	\$10.00	13,475,000 ⁽²⁾⁽³⁾
December 21, 2017; January 19, 2018	Class B Units	\$10.00	262,188 ⁽⁴⁾⁽⁵⁾
December 21, 2017; January 19, 2018	Warrants	\$1.00 / \$11.50 \$1.00 / \$11.50	16,359,058 ⁽⁶⁾
December 21, 2017; January 19, 2018	Rights	N/A	13,737,188 ⁽⁷⁾

Notes:

- (1) Includes the 1 Class B Share issued for \$10.00 on September 25, 2017 in connection with CSAC's incorporation and initial organization, the forfeiture of 227,812 Class B Shares pursuant to the partial exercise of the Over-Allotment Option in connection with the Offering, as well as the issuance of the Class B Shares underlying the Class B Units.
- (2) Includes the additional 975,000 Class A Restricted Voting Units issued pursuant to the partial exercise of the Over-Allotment Option in connection with the Offering.
- (3) The Class A Restricted Voting Units, comprising of Class A Restricted Voting Shares, Warrants and Rights, began trading separately following the close of business on January 30, 2018.
- (4) Includes the additional 12,188 Class B Units issued pursuant to the partial exercise of the Over-Allotment Option in connection with the Offering.
- (5) The Class B Units, comprising of Class B Shares, Warrants and Rights, split into their underlying securities following the close of business on January 30, 2018.
- (6) Includes (i) the 13,475,000 Warrants underlying the Class A Restricted Voting Shares that were issued in connection with the Offering and the partial exercise of the Over-Allotment Option in connection therewith, (ii) the 262,188 Warrants underlying the Class B Restricted Voting Units that were issued in connection with the Offering and the partial exercise of the Over-Allotment Option in connection therewith, and (iii) the 2,621,870 Founders' Warrants issued to the Sponsor in connection with the Offering and the partial exercise of the Over-Allotment Option in connection therewith.
- (7) Includes (i) the 13,475,000 Rights underlying the Class A Restricted Voting Units that were issued in connection with the Offering and the partial exercise of the Over-Allotment Option in connection therewith, and (ii) the 262,188 Rights underlying the Class B Restricted Voting Units that were issued in connection the Offering and the partial exercise of the Over-Allotment Option in connection therewith.

As of December 18, 2018 the closing price of the Class A Restricted Voting Shares was \$14.18, the closing price of the Warrants was \$3.75, and the closing price of the Rights was \$1.30.

SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following securities of the Corporation are subject to a contractual restriction on transfer (no securities are currently held in escrow):

<u>Designation of Class</u>	<u>Number of Securities Subject to Contractual Restriction</u>	<u>Percentage of Class</u>
Class B Shares ⁽¹⁾	3,696,486	100%
Warrants ⁽¹⁾	2,884,063	17.6%

Note:

- (1) See "Founders' Shares, Founders' Warrants and Class B Units" below and "Description of Share Capital – Founders' Shares" and "Description of Share Capital – Warrants" herein for a summary of the contractual restrictions on transfer.

Founders' Shares, Founders' Warrants and Class B Units

On the closing of the Offering, the Founders entered into the Forfeiture and Transfer Restrictions Agreement and Undertaking and Exchange Agreement and Undertaking pursuant to which each Founder agreed to certain forfeiture and transfer restrictions in respect of his or its Founders' Shares, Founders' Warrants and Class B Units (including the underlying Class B Shares, Warrants and Rights).

See "Description of Share Capital – Class B Shares" and "Description of Share Capital – Warrants" for a description of the contractual restrictions on transfer.

DIRECTORS AND OFFICERS

Names, Occupations and Security Holdings

The names and municipality of residence of the directors of the board, their position with the Corporation, their principal occupation, the date upon which they became a director of the Corporation and the number of voting or other securities beneficially owned by each of them, or over which control or direction is exercised by each of them as of September 30, 2018, are as follows:

Name and Municipality of Residence	Position	Principal Occupation ⁽³⁾	Date First Elected / Appointed Director	Holdings	
Jonathan Sandelman ⁽¹⁾ New York, NY	Chief Executive Officer, Chairman, Director and Corporate Secretary ⁽²⁾	Chief Executive Officer, Mercer Park, L.P.	September 25, 2017	Class A Restricted Voting Shares	Nil
				Class B Shares	3,677,625
				Warrants	2,884,058
				Rights	262,188
Mark Smith Edwards, Colorado	Chief Operating Officer and Director	Chief Executive Officer, Green Cross Colorado, Green Cross Nevada and Tumbleweed Companies	September 25, 2017	Class A Restricted Voting Shares	Nil
				Class B Shares	Nil
				Warrants	Nil
				Rights	Nil
Kamaldeep Thindal Langley, BC	Director ⁽²⁾	Managing Partner, Core Capital Partners Inc.	September 25, 2017	Class A Restricted Voting Shares	Nil
				Class B Shares	9,430
				Warrants	Nil
				Rights	Nil
Charles Miles Brooklyn, NY	Director ⁽²⁾	Consultant, Recapture Partners ⁽⁴⁾	September 25, 2017	Class A Restricted Voting Shares	Nil
				Class B Shares	9,430
				Warrants	Nil ⁽⁵⁾
				Rights	Nil

Notes:

- (1) Jonathan Sandelman beneficially owns such securities of CSAC, as our Sponsor is a limited partnership of which Mercer Park CB GP, LLC is the general partner, and which is indirectly controlled by Jonathan Sandelman.
- (2) Member of the Audit Committee.
- (3) Each director has been at their principal occupation for at least five years unless otherwise specified herein.
- (4) Charles Miles previously worked at Bloomberg LLP as an equity option trader, and prior to his tenure at Bloomberg, Charles co-founded Claris Capital Management and served as Chief Information Officer.
- (5) On December 13, 2018, Charles Miles purchased an additional 9,000 Class A Restricted Voting Shares on the open market.

The following table sets forth the names, residency and office of the non-director officers of the Corporation.

Name and Place of Residence	Position Held in the Corporation	Principal Occupation ⁽¹⁾	Officer Since	Holdings	
Carmelo Marrelli	Chief Financial Officer	Principal of Marrelli	September	Class A Restricted Voting Shares	Nil

Woodbridge, ON		Support Services Inc. ⁽²⁾	25, 2017	Class B Shares	Nil
				Warrants	Nil
				Rights	Nil

Notes:

(1) Mr. Carmelo Marrelli has held this position for five years other than as described below.

(2) Mr. Carmelo Marrelli also controls DSA Corporate Services Inc.

Shareholdings of Directors and Executive Officers

As of September 30, 2018, as a group, the directors and executive officers do not beneficially own, or control or direct, directly or indirectly, any Class A Restricted Voting Shares. As a group, the directors and executive officers will beneficially own, or control or direct, directly or indirectly, 3,696,485 Class B Shares, 100% of such class of securities.

Jonathan Sandelman holds the position of Chief Executive Officer of the parent company of our Sponsor and therefore may through such role have significant influence over the shares of the Corporation owned by our Sponsor.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of our directors and officers is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or officer was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of our directors and officers is, or (i) within ten years prior to the date hereof has been, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

Except for the following, none of our directors and officers has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to invest in the Corporation.

In August 2013, litigation was commenced against Inspiration Mining Corporation, Nitinat Minerals Corp., and certain present and past directors and officers of the companies, including Mr. Marrelli, the Chief Financial Officer of Nitinat Minerals at the time, in the Superior Court of Justice in Toronto. Certain shareholders of Nitinat Minerals Corp. alleged that there had been certain misrepresentations made (although misrepresentation was not alleged as a cause of action) and that certain actions were oppressive and caused undue prejudice and disregarded the interests of the plaintiffs in Inspiration Mining Corporation.

The defendants denied the plaintiffs' claims and filed a Statement of Defense in May 2016. The claim of one shareholder was dismissed in April 2016. On June 28, 2017, the five remaining plaintiffs settled with the defendants. The proceeds of the settlement were funded entirely by a policy of insurance, and there was no admission of liability as part of the settlement.

On February 17, 2017, a purported shareholder of SITO Mobile Ltd. ("**SITO**") commenced a class action against SITO and certain former officers and directors, in the United States District Court for the District of New Jersey, alleging violations of the Securities Exchange Act of 1934 and SEC regulations promulgated thereunder. On June 22, 2017, after being appointed lead plaintiffs, Red Oak Fund, L.P. and certain affiliated funds filed an amended complaint adding defendant Jonathan Sandelman, along with the other directors and officers who signed the registration statement and supplement for the September 16, 2016 offering of SITO stock, alleging violations of the Securities Exchange Act of 1934 and SEC regulations promulgated thereunder, and the U.S. Securities Act, claiming that the registration statement and prospectus failed to contain certain material facts about SITO's business, and that other statements made between August 15, 2016 and January 2, 2017, were materially false or misleading. On September 1, 2017, defendants moved to dismiss the amended complaint. That motion is pending. Discovery has not commenced and no trial date is set in this action.

Conflicts of Interest and Interests of Management and Others in Material Transactions

Investors should be aware of the following potential conflicts of interest, among others, to which some of our directors and officers will or may be subject in connection with our operations:

- None of our officers and directors is required to commit their full time to our affairs and, accordingly, they may be susceptible to conflicts of interest in allocating their time among various business activities.
- In the course of their other business activities, our officers and directors may owe similar or other duties, and may have obligations, to other entities or pursuant to other outside business arrangements, including seeking and presenting investment and business opportunities. Our officers and directors are not required to present investment and business opportunities to the Corporation in priority to other entities with which they are affiliated or to which they owe duties.
- Our officers and directors may in the future become affiliated with entities, including other special purpose acquisition corporations, engaged in business activities similar to those intended to be conducted by the Corporation.
- Unless we consummate our initial qualifying transaction, our Sponsor, officers, directors or special advisors, or their respective affiliates or our affiliates, will not receive reimbursement for any out-of-pocket expenses incurred by them to the extent that such expenses exceed the amount of proceeds not deposited in the Escrow Account.

Each of our Sponsor, our executive officers and our directors has agreed, pursuant to a written letter agreement, (i) to support or to vote all of its shares then held, being its respective Founders' Shares, Class B Shares (forming part of the Class B Units) and any Class A Restricted Voting Shares purchased during or after this Offering, as applicable, in favour of any qualifying transaction put forward for a shareholders' vote, and (ii) not to (in the case of executive officers and directors, while they are executive officers or directors) participate in the formation of, or become an officer or director of, any other Canadian special purpose acquisition corporation, or listed special purpose acquisition corporation, as applicable, until we have entered into a definitive agreement regarding our initial qualifying transaction or we have failed to complete our initial qualifying transaction within the Permitted Timeline or the effective date of the winding-up or dissolution of the Corporation. After we have entered into a definitive agreement regarding a qualifying transaction, our Sponsor would be permitted to pursue new special purpose acquisition corporations.

Subject to the following, in no event will our Founders or any of our officers or directors be paid any fees or other compensation (for greater certainty, excluding reimbursement of expenses), including finder's fees,

consulting fees or other compensation on the closing of our qualifying transaction for services rendered in order to effect a qualifying transaction, except that members of our board of directors who are not employees of the Corporation or our Sponsor may receive finder's fees if such fees are expressly approved by a majority of our unconflicted directors, being the other directors who do not have a conflict of interest in respect of the proposed transaction, and subject to any required Exchange consent. The material terms of such finder's fee or similar compensation would be disclosed in our information circular related to the Shareholders Meeting, or otherwise publicly disclosed, including, as applicable, the fees payable, the payor of such finder's fee or similar compensation, the basis for payment and a description of the services provided by the independent director in exchange for the compensation.

We are not prohibited from pursuing a qualifying transaction with a company that is affiliated with any of our Sponsor, officers or directors. In the event we seek to complete our qualifying transaction with a company that is affiliated with any of our Sponsor, officers or directors, in addition to any requirements imposed by applicable law, we, or a committee of independent directors, would, in connection with the Shareholders Meeting to approve such qualifying transaction (if required by the Exchange's rules at the time of the qualifying transaction), be required to obtain an opinion from a qualified person concluding that our qualifying transaction is fair to us or our shareholders from a financial point of view. In addition, if the qualifying transaction involves a related party, the transaction may be subject to the minority shareholder protections of *Multilateral Instrument 61-101 – Protection of Minority Securityholders in Special Transactions*, which would, in certain circumstances, require approval by minority shareholders and/or an independent valuation. The Exchange may also impose additional requirements in such circumstances. Further, pursuant to the requirements of the Corporations Act in this respect, officers and directors will be required to recuse themselves from our consideration of a potential acquisition involving a conflict of interest.

In order to protect the amounts held in the Escrow Account, at the closing of the Offering, and pursuant to the make whole agreement and undertaking entered into by our Sponsor in favour of the Corporation (the "**Make Whole Agreement and Undertaking**"), our Sponsor agreed that, (A) in the event of the liquidation of the Escrow Account upon the occurrence of: the automatic redemption by the Corporation of the Class A Restricted Voting Shares resulting from the inability of the Corporation to complete a qualifying transaction within the Permitted Timeline, or on a winding-up or dissolution, or (B) in the event of an extension to the Permitted Timeline or the completion of a qualifying transaction, it will be liable to us if and to the extent any claims by any third party (other than our auditors) for services rendered or products sold to us, or a prospective qualifying transaction target with which we have entered into, or discussed entering into a transaction agreement, reduce the amount of funds in the Escrow Account to below the lesser of (i) \$10.00 (as adjusted for stock splits or combinations, stock dividends, extraordinary dividends, reorganizations, recapitalizations and the like) per Class A Restricted Voting Share, or (ii) such lesser amount per Class A Restricted Voting Share held in the Escrow Account as of the date of the full or partial liquidation of the Escrow Account, as applicable, due to reductions in value of the assets held in escrow (other than due to the failure to obtain waivers from such third parties), in the case of both (i) and (ii), less the amount of interest which may be withdrawn to pay taxes, except as to any claims by a third party who executed a waiver of any and all rights to seek access to the Escrow Account, and except as to any claims under our indemnity of the Underwriter against certain liabilities.

In the event of an extension to the Permitted Timeline, an automatic redemption, or a winding-up or dissolution, whereby the taxes payable pursuant to Part VI.1 of the *Income Tax Act* (Canada) and the regulations thereunder, would cause the amounts paid per share from the Escrow Account to redeeming holders of Class A Restricted Voting Shares to be less than the initial \$10.00 invested (as adjusted for stock splits or combinations, stock dividends, extraordinary dividends, reorganizations, recapitalizations and the like), our Sponsor will, pursuant to the Make Whole Agreement and Undertaking, be liable to the Corporation for an amount required in order for the Corporation to be able to pay \$10.00 (as adjusted for stock splits or combinations, stock dividends, extraordinary dividends, reorganizations, recapitalizations and the like) per Class A Restricted Voting Share to redeeming holders of Class A Restricted Voting Shares (but in no event more than the Part VI.1 taxes that would be owing by the Corporation where the amount paid to redeem each applicable Class A Restricted Voting Share would be \$10.00 (as adjusted for stock splits or combinations, stock dividends, extraordinary dividends, reorganizations, recapitalizations and the like) per Class A Restricted Voting Share). Other than as described herein, our Sponsor will not be liable to the

Corporation for any other reductions to the Escrow Account that would cause the Corporation to pay less than \$10.00 per Class A Restricted Voting Share to redeeming holders, including any amount on account of non-resident withholding tax applicable to any deemed dividends that arise on any redemptions.

Our Sponsor is permitted to make direct payments or contributions to the Escrow Account in the manner it determines, for indemnity purposes or otherwise.

As part of the administrative services agreement entered into with our Sponsor for the payment of \$10,000 (plus applicable taxes) per month, the Corporation may, as needed and as may be approved by the board of directors, from time to time, both prior to and following our qualifying transaction, enter into service agreements with related parties or qualified affiliates of related parties for, but not limited to, various administrative, managerial or operational services or to help effect our qualifying transaction.

Although some of our officers and directors may enter into employment or consulting agreements with the acquired business following our qualifying transaction, the presence or absence of any such arrangements will not be used as a criterion in our selection process of an acquisition target.

Conflicts, if any, will be subject to the procedures as provided under the Corporations Act and applicable securities laws.

PROMOTER

Our sponsor is considered a promoter of CSAC within the meaning of applicable securities legislation.

As of the date of this AIF, our Sponsor owns, of record and beneficially, 3,677,625 Class B Shares (comprised of 3,415,437 Founders' Shares and the 262,188 Class B Shares forming part of the 262,188 Class B Units), 2,884,058 Warrants (comprised of 2,621,870 Founders' Warrants and the 262,188 Warrants forming part of the 262,188 Class B Units) and 262,188 Rights (forming part of the 262,188 Class B Units), representing approximately 21.4% of CSAC's issued and outstanding shares.

LEGAL PROCEEDINGS

We are not party to any legal proceedings nor, to our knowledge, are any such proceedings contemplated by or against us.

TRANSFER AGENT AND REGISTRAR

Our auditors are MNP LLP, having an address at 111 Richmond Street West, Suite 300, Toronto, Ontario, Canada, M5H 2G4. Such firm is independent of the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario (registered name of The Institute of Chartered Accountants of Ontario).

Odyssey Trust Company, at its principal offices in Calgary, Alberta, is the transfer agent and registrar for our Class A Restricted Voting Shares.

Odyssey Trust Company, at its principal offices in Calgary, Alberta, is the Warrant Agent for our Warrants under the Warrant Agreement, is the Rights Agent for our Rights under the Rights Agreement, and is the Escrow Agent for our Escrow Account.

MATERIAL CONTRACTS

As of September 30, 2018, the following are the material contracts of CSAC, other than contracts entered into in the ordinary course of business:

- (a) the Underwriting Agreement;

- (b) the Forfeiture and Transfer Restrictions Agreement and Undertaking;
- (c) the Exchange Agreement and Undertaking;
- (d) the Make Whole Agreement and Undertaking;
- (e) the Escrow Agreement;
- (f) the Warrant Agreement; and
- (g) the Rights Agreement.

Copies of these agreements are available for inspection at our offices, during ordinary business hours and will be available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

The financial statements for the fiscal period ended September 30, 2018 have been audited by MNP LLP, the Corporation's auditors, who are independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario (registered name of The Institute of Chartered Accountants of Ontario).

As at the date hereof, none of the partners or associates of MNP LLP beneficially own, directly or indirectly, any of our securities.

AUDIT COMMITTEE

AUDIT COMMITTEE CHARTER

The board of directors of the Corporation has adopted a written charter for the Audit Committee (the "**Charter of the Audit Committee**"), which sets out the Audit Committee's responsibility in reviewing and approving the financial statements of the Corporation and public disclosure documents containing financial information and reporting on such review to the board of directors of the Corporation, ensuring that adequate procedures are in place for the reviewing of the Corporation's public disclosure documents that contain financial information, overseeing the work and reviewing the independence of the external auditors. The text of the Charter of the Audit Committee that has been adopted is attached to this AIF as Appendix A.

COMPOSITION OF AUDIT COMMITTEE

The Corporation's audit committee (the "**Audit Committee**") is composed of a minimum of three directors, each of whom is and must at all times be financially literate and, by one year following the date of the receipt for the final prospectus, each of whom must be independent within the meaning of *National Instrument 52-110 – Audit Committees* ("**NI 52-110**"). As at September 30, 2018, the Audit Committee was composed of, the majority of whom are independent:

Kamaldeep Thindal (as Chair)

Charles Miles

Jonathan Sandelman

The board of directors has determined that the exemption in Section 3.2(2) of NI 52-110 is available and has determined that reliance on such exemption will not materially adversely affect the ability of the Audit Committee to act independently and to satisfy the other requirements of NI 52-110. The exemption in Section 3.2(2) of NI 52-110 relieves an issuer for a period of up to one year after it becomes a reporting issuer from the requirement that every audit committee member be independent, provided that a majority of

the audit committee members are independent and the issuer's board of directors makes the determination in the preceding sentence.

RELEVANT EDUCATION AND EXPERIENCE OF AUDIT COMMITTEE MEMBERS

Kamaldeep Thindal, Director

Kamaldeep (Kam) Thindal is a co-founder of Core Capital Partners (formerly Hamza Thindal Capital Corp.) and serves as the firm's Managing Partner. Prior to founding Core, Mr. Thindal spent five years as an independent capital markets advisor for a number of TSX Venture Exchange listed companies. Over the course of that time, he was involved in several financings across multiples sectors. For the past five years, Mr. Thindal has sourced investments, negotiated financings and acquisitions in various sectors with a particular focus on Biotech, Health Care and Special Situations. He has been involved in leading transactions in both private and public companies. Prior to his career in venture capital, Mr. Thindal spent five years at a private manufacturing company in Vancouver, Canada where he helped restructure the company, optimize operations, introduce new products and evolve the company from a family run business to a multi-national brand. He holds a Bachelor of Technology in Technology Management from the British Columbia Institute of Technology.

Charles Miles, Director

Charles (Charlie) Miles is a Managing Director at Recapture Partners, which is a venture capital company that advises, invests and raises money in early stage Fintech companies. Prior to this role, he worked at Bloomberg LLP as an equity option trader. Prior to his tenure at Bloomberg, he was a volatility arbitrage hedge fund portfolio manager and Managing Director at Deutsche Bank. He also was a portfolio manager at Del Mar Asset Management, and started his own hedge fund, Claris Capital Management. He began his career at Salomon Brothers, where he was involved in equity research, quantitative portfolio management and equity derivatives sales and management. As a Managing Director at Salomon Brothers and Citibank, he ran one of the most successful equity derivatives sales teams on Wall Street during a time of unprecedented growth in the product. Mr. Miles received his Bachelor of Arts in Economics and Political Science from Middlebury College.

Jonathan Sandelman, Chief Executive Officer, Chairman, Director and Corporate Secretary

Jonathan (Jon) Sandelman is the Chief Executive Officer of Mercer Park, L.P., the parent of the Sponsor. Prior to this role, he was Chief Executive Officer and Chief Investment Officer of Sandelman Partners, LP. Previously, he was the President of Banc of America Securities and former Head of Debt and Equities at Banc of America Securities. While at Banc of America Securities, he served as a member of the company's Operating Committee, Banc of America Securities Leadership Committee and The Global Corporate and Investment Banking Compensation Committee. As Head of Debt and Equities, Mr. Sandelman was responsible for all of market risk and the strategic direction of the firm's trading, distribution and new products development efforts. He oversaw the firm's capital markets function in coordination with the head of banking. Mr. Sandelman began his career with Banc of America Securities in 1998 as head of the Equity Financial Products business, and he became head of Equities in 2002. He was appointed President of Banc of America Securities in early 2004. Prior to joining Banc of America, he was deputy head of Global Equities and Managing Director of equity derivatives and proprietary trading at Salomon Brothers and a member of the firm's Risk Management Committee and Compensation Committee. Mr. Sandelman has been honored with Risk Magazine's prestigious "Derivative Superstar" award and Derivative Magazine's "Derivative Person of the Year." Mr. Sandelman earned a Bachelor of Science (BS) from Adelphi University and earned his law degree (Juris Doctor) from Cardozo School of Law.

EXTERNAL AUDITOR SERVICE FEES

During the fiscal period ended September 30, 2018, the Corporation paid the following fees to the Corporation's external auditors, for the following fee categories:

Fee Category	Fiscal Period 2018 (\$)
Audit Fees	45,100
Audit-Related Fees	N/A
Tax Services Fees	3,750
Other Fees	N/A
TOTAL	48,850

Audit Fees

Audit fees include all fees paid to the Corporation's external auditors for the audit of the Corporation's financial statements, including in connection with the Final Prospectus.

Audit-Related Fees

Audit-related fees include all fees paid to the Corporation's external auditors for audit-related services including the review of the Corporation's interim financial statements, preparation and/or review of certain filings with Canadian securities regulators, including comfort and consent letters, and accounting consultations on matters addressed during the audit and interim reviews.

Tax Services Fees

Tax services fees include all fees paid to the Corporation's external auditors for tax-related advice including tax return preparation and/or review and tax planning advice.

All Other Fees

Other fees include fees for products and services provided by the Corporation's auditors other than the services included in "Audit Fees", "Audit-Related Fees" and "Tax Services Fees".

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Class A Restricted Voting Shares are "restricted securities" within the meaning of such term under applicable Canadian securities laws. Prior to the Shareholders Meeting, holders of the Class A Restricted Voting Shares would not be entitled to vote at (or receive notice of or meeting materials in connection with) meetings held only to consider the election and/or removal of directors and auditors. In lieu of holding an annual general meeting, the Corporation has instead undertaken to issue a press release publicly in order to inform holders of Class A Restricted Voting Shares of the status of identifying and securing a qualifying transaction and announce the filing of this AIF and, not less than two weeks after filing such press release, hold an investor conference call so as to allow holders of Class A Restricted Voting Shares the opportunity to hear from and ask questions of management. The holders of the Class A Restricted Voting Shares would, however, be entitled to vote on and receive notice of meetings on all other matters requiring shareholder approval (including the qualifying transaction).

Except for the voting right variations described above on the election and/or removal of directors and auditors prior to the closing of a qualifying transaction, the voting rights of holders of Class B Shares are, with the exception of statutory class voting rights under the Corporations Act, otherwise identical to those applicable to the publicly held Class A Restricted Voting Shares. See the section entitled "*Description of Share Capital*" in this AIF for further detail on the rights and privileges of the Corporation's securities.

The Corporation has 3,696,485 Class B Shares outstanding. As of September 30, 2018, to the knowledge of the officers and directors of the Corporation, one entity, being our Sponsor, beneficially owns, directly or indirectly, or exercised control or direction over, more than 10% of any class or series of our voting securities. The Sponsor owns, directly or indirectly, 3,677,625 Class B Shares representing 99.5% of the

Class B Shares (and 21.4% of all issued and outstanding securities).

EXECUTIVE COMPENSATION

There will be no salaries, consulting fees, management contract fees or directors' fees, finder's fees, loans, bonuses, deposits or similar payments to our officers, directors or special advisors, directly or indirectly, for services rendered to us prior to or in connection with the completion of our initial qualifying transaction, or other payments to insiders prior to or in connection with the completion of our initial qualifying transaction, other than:

- (i) repayment of unsecured loans, and any interest thereon, which may be made by our Sponsor;
- (ii) the payment of \$10,000 (plus applicable taxes) per month for administrative and related services pursuant to an administrative services agreement entered into with our Sponsor which, if applicable, may include payment for services of related parties or qualified affiliates of related parties, for, but not limited to, various administrative, managerial or operational services or to help effect our qualifying transaction, reimbursement of reasonable out-of-pocket expenses incurred by the above-noted persons in connection with certain activities performed on our behalf, such as identifying possible business targets and qualifying transactions, performing business due diligence on suitable target businesses and qualifying transactions as well as traveling to and from the offices, plants or similar locations of prospective target businesses to examine their operations; and
- (iii) if approved by a majority of our unconflicted directors (being the other directors who do not have a conflict of interest in respect of the proposed transaction), and subject to any required Exchange consent, payment of a customary finder's fee, consulting fee or other similar compensation to members of our board of directors who are not employees of the Corporation or Sponsor for services rendered in order to effect a qualifying transaction, none of which will be made from the proceeds of this Offering held in the Escrow Account prior to the completion of the qualifying transaction.

There is no limit on the amount of out-of-pocket expenses reimbursable by us; provided, however, that to the extent such expenses exceed the available proceeds not deposited in the Escrow Account, such expenses would not be reimbursed by us unless we consummate a qualifying transaction.

Our board of directors will review and be required to approve all payments made by us to our Founders, officers, directors or special advisors, or our affiliates or associates or their respective affiliates or associates, with any interested director abstaining from such review and approval, except for certain exceptions.

Following completion of the qualifying transaction, it is anticipated that we will pay compensation to our directors and officers. Members of our management team who remain with the Corporation following our qualifying transaction may be paid consulting, management or other fees from the resulting issuer of the qualifying transaction with any and all amounts being fully disclosed to shareholders, to the extent then known, in the information circular that will be prepared and furnished to our shareholders in connection with any proposed qualifying transaction.

REPORT ON CORPORATE GOVERNANCE

The Corporation and its board of directors ("**Board**") recognize the importance of corporate governance to the effective management of the Corporation and to its shareholders. The Corporation's approach to corporate governance is designed with a view to ensuring that the business of the Corporation is effectively managed and that the board of directors functions independent of management.

Board of Directors

The Board's role is to supervise the management of the business and affairs of the Corporation, including the Corporation's strategic planning and direction, identify the principal risks of the Corporation's business and seek to ensure the implementation of systems to manage risk, succession planning and create a culture of integrity throughout the organization. The Board acts directly and through the Audit Committee. The Audit

Committee operates under a formal charter or mandate which is reviewed, and if necessary, updated on an annual or more frequent basis if necessary. In fulfilling its role, the Board delegates' day-to-day authority to management of the Corporation, while reserving the ability to review management decisions on any matter. While the Board has not adopted a formal board mandate, management of the Corporation reviews with the Board on a periodic basis its strategic plan and delivers to the Board ongoing reports on the status of the business and operations of the Corporation.

Composition of the Board

As at September 30, 2018, the Board was comprised of four directors. The Board is of the view that the size of the Board allows for a diversity of experience and knowledge and is appropriate to foster and promote effective decision making and oversight of the Corporation.

Outside Directorships and Attendance Record

The following table provides a listing of other reporting issuers for which the current members of the Board served as directors as at September 30, 2018 and the attendance record of each director for all Board and Audit Committee meetings held during the fiscal period ended September 30, 2018:

Name	Attendance Record	Directorship(s) with Other Reporting Issuers
Jonathan Sandelman	6 of 6 Board meetings 4 of 4 Audit Committee meetings	None.
Mark Smith	6 of 6 Board meetings	None.
Kamaldeep Thindal	6 of 6 Board meetings 4 of 4 Audit Committee meetings	None.
Charles Miles	6 of 6 Board meetings 4 of 4 Audit Committee meetings	None.

Director Independence

Of the four directors of the Board, two are independent, as that term is defined in NI 52-110. NI 52-110 defines an “independent director” as a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of such member’s independent judgment, and certain relationships are deemed to be material.

The two independent directors of the Board are Kamaldeep Thindal and Charles Miles. The Board has determined that the following two directors are not independent as follows: (i) Jonathan Sandelman as he is Chief Executive Officer of the Corporation, and (ii) Mark Smith as he is Chief Operating Officer of the Corporation.

The Board has established procedures to enable it to function independently of management and to facilitate open and candid discussions among the independent directors. The Audit Committee, being the only committee of the Board, is comprised of a majority of independent directors and independent directors engage in informal discussions outside of regularly scheduled Board meetings. The Board has determined that the exemption in Section 3.2(2) of NI 52-110 is available and has determined that reliance on such exemption will not materially adversely affect the ability of the Audit Committee to act independently and to satisfy the other requirements of NI 52–110. The exemption in Section 3.2(2) of NI 52–110 relieves an issuer for a period of up to one year after it becomes a reporting issuer from the requirement that every audit committee member be independent, provided that a majority of the audit committee members are independent and the issuer’s board of directors makes the determination in the preceding sentence.

The independent directors are open to raise issues as they see fit, and to appoint a lead independent

director should they wish to do so. Given the limited activities of the Corporation to date, this has not been seen as necessary.

Compensation

The directors are not currently compensated, although reasonable out-of-pocket expenses may be reimbursed. The Sponsor, Kamaldeep Thindal and Charles Miles hold Founders' Shares.

Succession Planning

The Board regards management succession as an ongoing activity to be reviewed by the Board, with input from management, as appropriate. The constitution of the Board is expected to be re-evaluated in connection with a qualifying transaction.

Retirement Policy and Term Limits

The Permitted Timeline requires the Corporation to consummate a qualifying transaction within 18 months from the closing of the Offering, as it may be extended as described in the Final Prospectus. The Board anticipates that its composition will be reconsidered in connection with or immediately following a qualifying transaction. Accordingly, the Board has not implemented policies regarding mandatory retirement and term limits. Determination of a director's continued fitness for service as a member of the Board may be assessed on an ongoing basis.

Diversity

While the Board encourages diversity and gender equality, it does not support the adoption of quotas or targets regarding gender representation on the Board or in executive officer positions. No written policy has been adopted relating to the identification and nomination of women directors given the limited activities and resources of the Corporation to date. The Corporation is committed to maintaining a robust campaign to identify and recruit the best qualified candidates whose appointments will be made based on merit, in the context of skills, experience, independence, and knowledge. The Corporation values diversity and believes that diversity enhances both the quality and effectiveness of the Corporation's performance and is an important aspect of effective corporate governance.

With respect to executive appointments, the Corporation recruits, manages and promotes on the basis of an individual's competence, qualification, experience and performance. The Corporation currently has no female directors, representing 0% of the directors of the Corporation and 0% of the independent directors of the Corporation.

Role of the Chairman of the Board and the Chief Executive Officer

While the Board has not adopted a written position description for the Chairman of the Board or for the Chief Executive Officer of the Corporation, the roles of each are well-established. The responsibilities of Mr. Jonathan Sandelman, the Chairman of the Board, include the efficient organization and operation of the Board. The Chairman of the Board is also responsible for ensuring effective communication between the Board and management and that the Board effectively carries out its mandate.

The Corporation's objective is the successful execution of a qualifying transaction. This objective for which Mr. Jonathan Sandelman, the Chief Executive Officer, is responsible is well-defined and approved by the Board.

As noted above, the independent directors are open to raise issues as they see fit, and to appoint a lead independent director should they wish to do so. Given the limited activities of the Corporation to date, this has not been seen as necessary.

Ethical Business Conduct

The Corporation is committed to conducting its business in compliance in all material respects with all applicable laws and regulations and in accordance with the highest standard of ethical principles.

The Board has not adopted a written code of business conduct and ethics; however, in addition to the relevant provisions of the Corporations Act applicable to directors of the Corporation, directors are required to disclose all actual or potential conflicts of interest. Also, directors of the Corporation are required to recuse themselves from any discussion or decision on any matter in which the director is precluded from

voting as a result of a conflict of interest. The Board and the Corporation promote a “tone at the top” culture intended to instill ethics, openness, honesty and accountability throughout the organization.

The Corporation permits the Board, any committee thereof, and any individual director to engage independent external advisors at the expense of the Corporation when necessary.

The Board would intend to take steps to seek to ensure that directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest, should such a situation arise.

Nomination of Directors

At inception of the Corporation on July 31, 2017, the Sponsor determined an appropriate size and overall composition with a view to the best interests of the Corporation. The Board considers its size and composition appropriate to execute on the Corporation’s mandate of effecting a qualifying transaction.

Compensation

No compensation is issued to the Corporation’s directors or officers. Accordingly, the Board has not formed a compensation committee. See the section entitled “*Executive Compensation*” in this AIF for further details.

Other Committees

At this time, the Board has not formed any other committees, but intends to do so following the closing of a qualifying transaction.

Assessments

Following the completion of a qualifying transaction, assessments are expected to be conducted regularly by the Chair, including via one-on-one interviews, with respect to the effectiveness and contributions of directors.

Term Limits

It is anticipated that the size and constitution of the Board will be considered in connection with the Corporation completing a qualifying transaction. Given the limited duration of the Permitted Timeline in which a qualifying transaction must be completed, the Board does not consider it necessary to adopt director term limits or other mechanisms of Board renewal.

MANAGEMENT CONTRACTS

The Corporation has entered into an administrative services agreement with the Sponsor for an initial term of 18 months, subject to possible extension, for office space, utilities and administrative support, which may include payment for services of related parties, for, but not limited to, various administrative, managerial or operational services or to help effect a qualifying transaction. The Corporation has agreed to pay \$10,000 per month, plus applicable taxes for such services. As at September 30, 2018, the Corporation accrued \$92,314 in respect of these services.

EXEMPTIVE RELIEF

The Corporation has received exemptive relief, or a waiver until the closing of the qualifying transaction, as applicable, from the Exchange with respect to certain requirements of the Exchange Listing Manual:

1. the requirement to have a minimum of 300 public security holders, contained in section 2.02 of the Exchange Listing Manual, provided that 150 public security holders are in place at the closing of the Offering;
2. the requirement to have an escrow agreement with its Founders that complies fully with the requirements of National Policy 46-201 respecting established issuers, contained in section 2.12(2) of the Exchange Listing Manual;

3. the requirement to have an annual investor relations budget of at least \$50,000, unless the security is covered by at least one qualified analyst, contained in section 3.01(5) of the Exchange Listing Manual;
4. the requirement to clear and settle, in the case of non-certificated securities, all trades of the Corporation's listed securities (being the Class A Restricted Voting Units, and the Class A Restricted Voting Shares, Warrants and Rights forming part of the Class A Restricted Voting Units) on a book-entry only basis, contained in section 4.03 of the Exchange Listing Manual (as we use the NCI system for non-certificated securities instead, and certain Warrants may be in certificated form);
5. the requirement to have to maintain a website, contained in section 4.08 of the Exchange Listing Manual;
6. the requirement to permit security holders of each class or series to vote at each annual meeting of holders of listed securities on the election of all directors to be elected by such class or series, contained in section 10.02(3) of the Exchange Listing Manual;
7. the requirement to implement a majority voting requirement, contained in section 10.02(5) of the Exchange Listing Manual;
8. the requirement to establish both a compensation committee and a nominating and corporate governance committee, contained in section 10.04 of the Exchange Listing Manual; and
9. the requirement to have certain take-over protective provisions, also referred to as coattail provisions, contained in section 10.19 of the Exchange Listing Manual.

ADDITIONAL INFORMATION

Additional information with respect to the Corporation is provided in the Corporation's audited financial statements and notes to the audited financial statements and the Corporation's Management's Discussion & Analysis ("**MD&A**") for the fiscal period ended September 30, 2018, and the Preliminary Non-Offering Prospectus filed on December 10, 2018. These documents as well as additional information relating to the Corporation are available on SEDAR at www.sedar.com.

APPENDIX A
CHARTER OF THE AUDIT COMMITTEE
OF CANNABIS STRATEGIES ACQUISITION CORP.

Section 1 PURPOSE

The audit committee (the “**Audit Committee**”) is a committee of the board of directors (the “**Board**”) of Cannabis Strategies Acquisition Corp. (the “**Corporation**”). The primary function of the Audit Committee is to assist the directors of the Corporation in fulfilling their applicable roles by:

- (a) recommending to the Board the appointment and compensation of the Corporation’s external auditor;
- (b) overseeing the work of the external auditor, including the resolution of disagreements between the external auditor and management;
- (c) pre-approving all non-audit services (or delegating such pre-approval if and to the extent permitted by law) to be provided to the Corporation by the Corporation’s external auditor;
- (d) satisfying themselves that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information, other than those described in (g) below, extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures;
- (e) establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters, and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (f) reviewing and approving any proposed hiring of current or former partner or employee of the current and former auditor of the Corporation; and
- (g) reviewing and approving the annual and interim financial statements, related Management Discussion and Analysis (“**MD&A**”) and other financial information provided by the Corporation to any governmental body or the public.

The Audit Committee should primarily fulfill these roles by carrying out the activities enumerated in this Charter. However, it is not the duty of the Audit Committee to prepare financial statements, to plan or conduct internal or external audits, to determine that the financial statements are complete and accurate and are in accordance with Canadian generally accepted accounting principles, to conduct investigations, or to assure compliance with laws and regulations or the Corporation’s internal policies, procedures and controls, as these are the responsibility of management, and in certain cases, the external auditor.

Section 2 LIMITATIONS ON AUDIT COMMITTEE’S DUTIES

In contributing to the Audit Committee’s discharge of its duties under this Charter, each member of the Audit Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended to be, or may be construed as, imposing on any members of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject.

Members of the Audit Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by management as to the non-audit

services provided to the Corporation by the external auditor, (iv) financial statements of the Corporation represented to them by a member of management or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with generally accepted accounting principles, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

Section 3 COMPOSITION AND MEETINGS

The Audit Committee should be comprised of not less than three directors as determined by the Board, all of whom shall be independent within the meaning of NI 52-110 – *Audit Committees* (“**52-110**”) of the Canadian Securities Administrators (or exempt therefrom), and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee. All members of the Audit Committee should have (or should gain within a reasonable period of time after appointment) a working familiarity with basic finance and accounting practices. At least one member of the Audit Committee should have accounting or related financial management expertise and be considered a financial expert. Each member should be “financially literate” within the meaning of 52-110. The Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.

The members of the Audit Committee shall be elected by the Board on an annual basis or until their successors shall be duly appointed. Unless a Chair of the Audit Committee (the “**Chair**”) is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.

In addition, the Audit Committee members should meet all of the requirements for members of audit committees as defined from time to time under applicable legislation and the rules of any stock exchange on which the Corporation’s securities are listed or traded.

The Audit Committee should meet at least four times annually, or more frequently as circumstances require. The Audit Committee should meet within forty-five (45) days following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related MD&A, and should meet within 90 days following the end of the fiscal year end to review and discuss the audited financial results for the preceding quarter and year and the related MD&A.

The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Audit Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and the external auditor of the Corporation, and others as they consider appropriate.

For greater certainty, management is indirectly accountable to the Audit Committee and is responsible for the timeliness and integrity of the financial reporting and information presented to the Board.

In order to foster open communication, the Audit Committee or its Chair should meet at least annually with management and the external auditor in separate sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately. In addition, the Audit Committee or its Chair should meet with management quarterly in connection with the Corporation’s interim financial statements.

A quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Audit Committee or such greater number as the Audit Committee shall by resolution determine.

Meetings of the Audit Committee shall be held from time to time and at such place as any member of the

Audit Committee shall determine upon 48 hours' notice to each of its members. The notice period may be waived by all members of the Audit Committee. Each of the Chair of the Board, the external auditor, the Chief Executive Officer, the Chief Financial Officer or the Secretary shall be entitled to request that any member of the Audit Committee call a meeting.

This Charter is subject in all respects to the Corporation's articles of incorporation and by-laws from time to time.

Section 4 ROLE

As part of its function in assisting the Board in fulfilling its oversight role (and without limiting the generality of the Audit Committee's role), the Audit Committee should:

- (1) Determine any desired agenda items;
- (2) Review and recommend to the Board changes to this Charter, as considered appropriate from time to time;
- (3) Review the public disclosure regarding the Audit Committee required by 52-110;
- (4) Review and seek to ensure that disclosure controls and procedures and internal control over financial reporting frameworks are operational and functional;
- (5) Summarize in the Corporation's annual information form the Audit Committee's composition and activities, as required; and
- (6) Submit the minutes of all meetings of the Audit Committee to the Board upon request.

Documents / Reports Review

- (7) Review and recommend to the Board for approval the Corporation's annual and interim financial statements, including any certification, report, opinion, undertaking or review rendered by the external auditor and the related MD&A, as well as such other financial information of the Corporation provided to the public or any governmental body as the Audit Committee or the Board require.
- (8) Review other financial information provided to any governmental body or the public as they see fit.
- (9) Review, recommend and approve any of the Corporation's press releases that contain financial information.
- (10) Seek to satisfy itself and ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and related MD&A and periodically assess the adequacy of those procedures.

External Auditor

- (11) Recommend to the Board the selection of the external auditor, considering independence and effectiveness, and review the fees and other compensation to be paid to the external auditor.
- (12) Review and seek to ensure that all financial information provided to the public or any governmental body, as required, provides for the fair presentation of the Corporation's financial condition, financial performance and cash flow.
- (13) Instruct the external auditor that its ultimate client is not management and that it is required to report directly to the Audit Committee, and not management.

- (14) Monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion between management and the external auditor.
- (15) Review and discuss, on an annual basis, with the external auditor all significant relationships it has with the Corporation to determine the external auditor's independence.
- (16) Pre-approve all non-audit services (or delegate such pre-approval, as the Audit Committee may determine and as permitted by applicable Canadian securities laws) to be provided by the external auditor.
- (17) Review the performance of the external auditor and any proposed discharge of the external auditor when circumstances warrant.
- (18) Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.
- (19) Communicate directly with the external auditor and arrange for the external auditor to be available to the Audit Committee and the full Board as needed.
- (20) Review and approve any proposed hiring by the Corporation of current or former partners or employees of the current (and any former) external auditor of the Corporation.

Audit Process

- (21) Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Audit Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.
- (22) Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.
- (23) Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.
- (24) Where there are significant unsettled issues between management and the external auditor that do not affect the audited financial statements, the Audit Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.

Financial Reporting Processes

- (25) Review the integrity of the financial reporting processes, both internal and external, in consultation with the external auditor as they see fit.
- (26) Consider the external auditor's judgments about the quality, transparency and appropriateness, not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, including the degree of aggressiveness or conservatism of its

accounting principles and underlying estimates, and whether those principles are common practices or are minority practices.

- (27) Review all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related party transactions.
- (28) Review with management and the external auditor the Corporation's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditor's preferred treatment and any other material communications with management with respect thereto.
- (29) Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.
- (30) If considered appropriate, establish separate systems of reporting to the Audit Committee by each of management and the external auditor.
- (31) Periodically consider the need for an internal audit function, if not present.

Risk Management

- (32) Review program of risk assessment and steps taken to address significant risks or exposures of all types, including insurance coverage and tax compliance.

General

- (33) With prior Board approval, the Audit Committee may at its discretion retain independent counsel, accountants and other professionals to assist it in the conduct of its activities and to set and pay (as an expense of the Corporation) the compensation for any such advisors.
- (34) Respond to requests by the Board with respect to the functions and activities that the Board requests the Audit Committee to perform.
- (35) Periodically review this Charter and, if the Audit Committee deems appropriate, recommend to the Board changes to this Charter.
- (36) Review the public disclosure regarding the Audit Committee required from time to time by applicable Canadian securities laws, including:
 - (i) the Charter of the Audit Committee;
 - (ii) the composition of the Audit Committee;
 - (iii) the relevant education and experience of each member of the Audit Committee;
 - (iv) the external auditor services and fees; and
 - (v) such other matters as the Corporation is required to disclose concerning the Audit Committee.
- (37) Review in advance, and approve, the hiring and appointment of the Corporation's senior financial executives by the Corporation, if any.

- (38) Perform any other activities as the Audit Committee deems necessary or appropriate including ensuring all regulatory documents are compiled to meet Committee reporting obligations under 52-110.

Section 5 AUDIT COMMITTEE COMPLAINT PROCEDURES

Submitting a Complaint

- (39) Anyone may submit a complaint regarding conduct by the Corporation or its employees or agents (including its independent auditors) reasonably believed to involve questionable accounting, internal accounting controls or auditing matters. The Chair should oversee treatment of such complaints.

Procedures

- (40) The Chair will be responsible for the receipt and administration of employee complaints.
- (41) In order to preserve anonymity when submitting a complaint regarding questionable accounting or auditing matters, the employee may submit a complaint confidentially.

Investigation

- (42) The Chair should review and investigate the complaint. Corrective action will be taken when and as warranted in the Chair's discretion.

Confidentiality

- (43) The identity of the complainant and the details of the investigation should be kept confidential throughout the investigatory process.

Records and Report

- (44) The Chair should maintain a log of complaints, tracking their receipt, investigation, findings and resolution, and should prepare a summary report for the Audit Committee.

The Audit Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Corporation's securityholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to securityholders of the Corporation or other liability whatsoever.