

A copy of this preliminary prospectus has been filed with the securities regulatory authority in each of the provinces of British Columbia, Alberta and Ontario and with the Canadian Securities Exchange but has not yet become final for the purpose of the sale of securities. Information contained within this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

This prospectus constitutes a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and, in such jurisdictions, only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any securities law of any State of the United States. Accordingly, except as permitted under the Agency Agreement as defined herein, the securities offered hereby may not be offered or sold, directly or indirectly, in the United States of America, its territories, or its possessions, any State of the United States or the District of Columbia (the “United States”), or to, or for the account or benefit of, persons in the United States. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in the United States to, for the account or benefit, persons in the United States. See “Plan of Distribution”.

PRELIMINARY PROSPECTUS

INITIAL PUBLIC OFFERING

DATED: June 22, 2018



**TRANSCANNA HOLDINGS INC.
Suite 820-1130 West Pender Street
Vancouver, British Columbia, V6E 4A4
Telephone: (604) 648-0516
Facsimile: (604) 648-0517**

Minimum of 2,400,000 Units up to a Maximum of 3,000,000 Units

Price: \$0.50 per Unit

Minimum of \$1,200,000 up to a Maximum of \$1,500,000

Each Unit comprises one common share and one share purchase warrant

This prospectus (the “**Prospectus**”) qualifies for distribution and offering (the “**Offering**”) to purchasers resident in British Columbia, Alberta and Ontario (the “**Offering Jurisdictions**”), and elsewhere as permitted by applicable law, through Haywood Securities Inc. (the “**Agent**”), on a commercially reasonable efforts basis, of an aggregate of a minimum of 2,400,000 units (the “**Minimum Offering**”) and up to a maximum of 3,000,000 (the “**Maximum Offering**”) units (the “**Units**”) of TransCanna Holdings Inc. (the “**Company**”). The Units are being offered at \$0.50 per Unit (the “**Offering Price**”) for gross proceeds of a minimum of \$1,200,000 and a maximum of \$1,500,000. Each Unit consists of one common share (each a “**Share**”) and one common share purchase warrant (each a “**Warrant**”). Each

Warrant will entitle the holder thereof to purchase one additional Share (each a “**Warrant Share**”) at an exercise price of \$1.00 per Share at any time up to 4:00 p.m. (Vancouver time) on the day that is 12 months from the Closing Date (as defined herein), provided that in the event that the price of the Shares on the Canadian Securities Exchange closes at or above \$1.50 for a period of 10 consecutive trading days, the Company may accelerate the term of the Warrants to a period of 30 days by giving written notice of such acceleration to the Warrant holders. The Warrants will be governed by a warrant indenture to be entered into on the Closing Date between the Company and Odyssey Trust Company, as warrant agent. The Shares and the Warrants are immediately separable and will be issued separately. See “*Description of Securities Distributed*”.

The Offering Price was determined by negotiation between the Company and the Agent. Of the price of \$0.50 per Unit, \$0.499 is allocated to the Shares and \$0.001 is allocated to the Warrant.

	Price to Public		Agent’s Commission ⁽¹⁾		Net Proceeds to the Company ⁽²⁾	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Per Unit	\$0.50		\$0.04		\$0.46	
Offering	\$1,200,000	\$1,500,000	\$96,000	\$120,000	\$1,104,000	\$1,380,000
Over-Allotment Option ⁽³⁾	\$180,000	\$225,000	\$14,400	\$18,000	\$165,600	\$207,000
Total	\$1,380,000	\$1,725,000	\$110,400	\$138,000	\$1,269,600	\$1,587,000

- (1) Pursuant to the terms and conditions of an agency agreement (the “**Agency Agreement**”) to be entered into between the Agent and the Company, the Company has agreed to pay to the Agent a commission (the “**Agent’s Commission**”) equal to 8% of the gross proceeds of the Offering (including any gross proceeds raised on the exercise of the Over-Allotment Option (as defined below)), which may be paid in cash or through the issuance of Units (the “**Agent’s Units**”), at the discretion of the Agent. The Agent will also be paid a corporate finance fee of \$25,000 plus GST (the “**Corporate Finance Fee**”) and will be issued non-transferable warrants (the “**Agent’s Warrants**”) to acquire common shares of the Company (the “**Agent’s Warrant Shares**”) in an amount equal to 8% of the Units sold in the Offering (including any Units issued on the exercise of the Over-Allotment Option (as defined below)) at an exercise price of \$0.50 per Share, exercisable for a period of 12 months from the Closing Date (as defined herein). The distribution of the Agent’s Units and the Agent’s Warrants is also qualified for distribution under this Prospectus. The Agent will also be reimbursed by the Company for the Agent’s expenses incurred pursuant to the Offering, of which \$10,000 has been paid as a retainer. See “*Plan of Distribution*”.
- (2) Before deducting estimated expenses of the Offering, including legal, accounting and audit costs, all filing fees with the Canadian Securities Exchange (the “**Exchange**”) and of the securities commissions in the Offering Jurisdictions and the Agent’s expenses, estimated at \$128,575. See “*Use of Proceeds*”.
- (3) The Company has granted to the Agent an over-allotment option (the “**Over-Allotment Option**”), exercisable on the day which is 30 days following the Closing Date, to sell up to a further 15% of the Units sold pursuant to the Offering, at the Offering Price. This Prospectus also qualifies the grant of the Over-Allotment Option and the issuance of the Shares, Warrants and Warrant Shares forming part of the Units issuable upon exercise of the Over-Allotment Option. The table presents the “Price to the Public”, “Agent’s Commission” and “Net Proceeds to the Company” should the Over-Allotment Option be exercised in full in each of the cases of the Minimum Offering and the Maximum Offering. Unless the context otherwise requires, when used herein, all references to the “Offering” include the exercise of the Over-Allotment Option, all references to “Units” include any Units issuable upon the exercise of the Over-Allotment Option and all references to “Shares” or “Warrants” include the component portions of the Units issuable upon exercise of the Over-Allotment Option.

The Agent, as exclusive agent of the Company for the purposes of the Offering, conditionally offers the Units for sale on a commercially reasonable efforts basis and subject to prior sale, if, as and when issued by the Company, in accordance with the conditions contained in the Agency Agreement referred to under “*Plan of Distribution*”. Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. If the

Minimum Offering is not completed within 90 days of the issuance of a receipt for the Prospectus, or if a receipt has been issued for an amendment to the Prospectus, within 90 days of the issuance of such receipt and in any event not later than 180 days from the date of receipt for the Prospectus, the distribution will cease, and all subscription monies will be returned to the subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

The following table sets forth the number of securities issuable to the Agent:

Agent's Position	Maximum size or number of securities available	Exercise period or acquisition date	Exercise price or average acquisition price
Agent's Units	276,000 Agent's Units	Closing Date	\$0.50 per Agent's Unit
Agent's Warrants	276,000 Agent's Warrants	12 months following the Closing Date	\$0.50 per Agent's Warrant Share
Over-Allotment Option	450,000 Units	30 days from the Closing Date	\$0.50 per Unit
Any other option granted by the Company or insider of the Company to the Agent	Nil	Nil	Nil
Total securities under option issuable to the Agent ⁽¹⁾	276,000 Agent's Units, 276,000 Agent's Warrants and 450,000 Units	-	\$0.50

(1) Assumes the completion of the Maximum Offering, the exercise of the Over-Allotment Option and the payment of the Agent's Commission entirely through the issuance of Agent's Units.

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

The Company has applied to the Exchange to conditionally approve a listing of the Shares forming part of the Units being offered under this Prospectus. The listing is subject to the Company fulfilling all of the listing requirements of the Exchange including prescribed distribution and financial requirements.

As of the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

The Company is not a related or connected issuer (as such terms are defined in National Instrument 33-105 Underwriting Conflicts) to the Agent. See "*Relationship between the Company and the Agent*".

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

Certain legal matters relating to the Offering have been reviewed on behalf of the Company by S. Paul Simpson Law Corporation of Vancouver, British Columbia, by Clyde Snow, Attorneys at Law of Newport Beach, California and Salt Lake City, Utah in relation to matters relating to the Company's operations in the United States, and on behalf of the Agent by DuMoulin Black LLP, Vancouver, British Columbia. No person is authorized to provide any information or to make any representation in connection with this Offering other than as contained in this prospectus.

James Pakulis, who is the Chief Executive Officer and a director of the Company and Juan Flores, a director of the Company and who have signed this prospectus, are residents outside of Canada. In addition, the majority of the Company's assets are located outside of Canada through the Company's wholly-owned subsidiaries, TransCanna Management Inc. ("TCMI") and GF Group, Inc. ("GF"). Although each of Mr. Pakulis, Mr. Flores, TCMI and GF have appointed S. Paul Simpson Law Corporation at Suite 2080-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4 as their agent for service of process in Canada, it may not be possible for investors to enforce judgments obtained in Canada against Mr. Pakulis, Mr. Flores, TCMI or GF. See "*Enforcement of Judgments Against Foreign Persons*" and "*Risk Factors – Risks Relating to the Offering*".

Due to the nature of the Company's business, an investment in any securities of the Company is speculative and involves a high degree of risk that should be considered by potential investors. An investment in the Company's securities should only be undertaken by those persons who can afford the total loss of their investments. In reviewing this prospectus, investors should carefully consider the matters described under the heading "*Risk Factors*" of this prospectus.

Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Company's securities, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Company's securities.

Prospective purchasers should rely only on the information contained in this prospectus. Neither the Agent nor the Company has authorized anyone to provide prospective purchasers with different information from that contained in this prospectus. Readers should assume that the information appearing in this prospectus is accurate only as of its date, regardless of its time of delivery and that the Company's business, financial condition, results of operations and prospects may have changed since that date.

This prospectus qualifies the distribution of securities of an entity that is expected to indirectly derive a substantial portion of its revenues from the cannabis industry in California. While the state of California has authorized the cultivation, manufacture and sale of cannabis and cannabis-related products for both medical and adult-use, cannabis remains illegal under U.S. federal law and the approach to enforcement of U.S. federal laws against cannabis has been subject to change. The Company is indirectly involved, through its wholly-owned subsidiaries, in the U.S. cannabis industry, insofar as the principal business activities of the Company are the branding and management of transport and distribution activities of cannabis and cannabis-related products for state-licensed operators ("Licensed Operators") engaged in the cultivation, manufacture and sale of cannabis in California. Neither the Company nor any of its subsidiaries own an interest in Licensed Operators engaged in the cultivation and manufacture of cannabis or cannabis-related products, and as such, the Company does not have direct cannabis operations in California but operates a model with material ancillary involvement. The Company plans to become involved in the distribution and sale of cannabis and cannabis-related products in the near future and will then have direct cannabis operations. It is anticipated that the Company will operate initially only in California but may expand its operations to such other U.S. states that allow participation in the cannabis industry under local state law.

The cultivation, sale and use of cannabis and cannabis-related products is illegal under federal law pursuant to the U.S. Controlled Substances Act (the "CSA"). Under the CSA, the policies and regulations of the United States Federal Government and its agencies are that cannabis has no medical benefit and a range of activities including cultivation, sale and the personal use of cannabis is prohibited. The Supremacy Clause of the United States Constitution establishes that the United

States Constitution and federal laws made pursuant to it are paramount to those of the states and in case of conflict between federal and state law, the federal law shall apply.

Despite the current state of the federal law and the CSA, the states of California, Nevada, Massachusetts, Maine, Washington, Oregon, Colorado, Vermont and Alaska, and the District of Columbia, have legalized recreational use of cannabis. Massachusetts and Maine have not yet begun recreational cannabis commercial operations. In early 2018, Vermont became the first state to legalize the use of recreational cannabis by passage in a state legislature but does not allow commercial sales of recreational cannabis. Although the District of Columbia voters passed a ballot initiative in November 2014, no commercial recreational operations exist because of a prohibition on using funds for regulation within a federal appropriations amendment to local District spending powers.

In addition, over half of the U.S. states have enacted legislation to legalize and regulate the sale and use of medical cannabis, while other states have legalized and regulate the sale and use of medical cannabis with strict limits on the levels of THC.

Because the Company engages in cannabis-related activities in the U.S., it assumes certain risks due to the conflicting state and federal laws. Unless and until the United States Congress amends the CSA with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, and the business of the Company may be deemed to be producing, cultivating, extracting or dispensing cannabis in violation of federal law in the United States.

For these reasons, the Company's investments in the United States cannabis market may subject the Company to heightened scrutiny by regulators, stock exchanges, clearing agencies and other U.S. and Canadian authorities. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the issuer's ability to operate in the United States or any other jurisdiction. There are a number of risks associated with the business of the Company. See section entitled "*Risk Factors*".

At the closing, the Shares and Warrants distributed under this Prospectus will be available for delivery in book-entry form or the non-certificated inventory system of CDS Clearing and Depository Services Inc. ("CDS") or, its nominee, and will be deposited in electronic form. Purchasers of Units will receive only a customer confirmation from the Agent as to the number of Units subscribed for. Certificates representing the Shares and Warrants in registered and definitive form will be issued in certain limited circumstances.

**HAYWOOD SECURITIES INC.
Waterfront Centre
Suite 700 – 200 Burrard Street
Vancouver, British Columbia,
Canada V6C 3L6
Telephone: (604) 697-7100
Facsimile: (604) 697-7495**

TABLE OF CONTENTS

ELIGIBILITY FOR INVESTMENT.....	ix
FORWARD-LOOKING STATEMENTS.....	ix
MARKET AND INDUSTRY DATA.....	xii
FINANCIAL INFORMATION.....	xii
MARKETING MATERIALS	xiii
CURRENCY AND EXCHANGE RATE INFORMATION.....	xiii
ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS	xiii
GENERAL	xiv
GLOSSARY OF TERMS.....	xiv
SUMMARY OF PROSPECTUS.....	1
CORPORATE STRUCTURE	5
Name and Incorporation	5
Intercorporate Relationships	5
DESCRIPTION OF THE BUSINESS.....	5
Overview of the Company	5
Three Year History	7
Principal Products and Services.....	11
Production and Services.....	12
Specialized Skills and Knowledge.....	13
Competitive Conditions	13
Components	13
Intangible Properties	14
Cycles	14
Economic Dependence and Changes to Contracts	14
Environmental Protections.....	14
Employees.....	14
Foreign Operations	14
Lending.....	15
Bankruptcy and Similar Procedures.....	15
Reorganization or Restructuring	15
Social or Environmental Policies.....	15
Significant Acquisitions and Dispositions	15
Trends	16
REGULATORY OVERVIEW	16
General.....	16
U.S. Federal Law Overview.....	18
California State-Level Overview	22
USE OF PROCEEDS	27
Proceeds and Funds Available	27
Principal Purposes.....	28
Negative Operating Cash Flow	29
Stated Business Objectives and Milestones	29
DIVIDENDS	29
SELECTED FINANCIAL INFORMATION AND MANAGEMENT’S DISCUSSION AND ANALYSIS.....	30
Selected Financial Information	30

Management’s Discussion and Analysis.....	31
DESCRIPTION OF SECURITIES DISTRIBUTED.....	39
Authorized and Issued Share Capital	39
Units.....	39
Common Shares	39
Securities to be Distributed	40
Warrants.....	40
Agent’s Warrants	42
Options.....	42
CONSOLIDATED CAPITALIZATION	43
OPTIONS TO PURCHASE SECURITIES.....	44
PRIOR SALES	45
Prior Sales	45
Trading Price and Volume	46
ESCROWED SECURITIES.....	46
Escrowed Securities	46
Shares Subject to Resale Restrictions	48
PRINCIPAL SHAREHOLDERS	49
DIRECTORS AND OFFICERS.....	49
Name, Address, Occupation and Security Holdings	49
Management of Junior Issuers	51
Other Reporting Issuer Experience	52
Aggregate Ownership of Securities	53
Corporate Cease Trade Orders or Bankruptcies.....	53
Penalties and Sanctions.....	54
Personal Bankruptcies.....	54
Conflicts of Interest	54
EXECUTIVE COMPENSATION.....	55
Director and Named Executive Officer Compensation.....	55
External Management Companies.	56
Stock Options and Other Compensation Securities	56
Stock Option Plans and Other Incentive Plans.....	56
Stock Options and Other Compensation Securities	57
Employment, Consulting and Management Agreements.....	58
Oversight and Description of Director and Named Executive Officer Compensation	58
Pension Disclosure.....	59
Securities Authorized for Issuance under Equity Compensation Plans at April 30, 2018	59
Management Contracts	59
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	59
AUDIT COMMITTEE.....	60
Audit Committee Charter.....	60
Composition of the Audit Committee	60
Relevant Education and Experience	60
Audit Committee Oversight.....	61
Reliance of Certain Exemptions in NI 52-110 regarding De Minimis Non-audit Services or on a Regulatory Order Generally	61
Pre-Approval Policies on Certain Exemptions	62
External Auditor Services Fees.....	62
Exemption in Section 6.1 of NI 52-110	62
CORPORATE GOVERNANCE	63

General.....	63
Composition of the Board.....	63
Mandate of the Board.....	63
Directorship	64
Position Descriptions	64
Orientation and Continuing Education.....	64
Ethical Business Conduct	65
Nomination of Directors	65
Compensation	66
Other Board Committees	66
Assessments.....	66
PLAN OF DISTRIBUTION.....	66
The Offering	66
Appointment of the Agent	67
Agent’s Compensation.....	69
Listing Application	69
Determination of Price.....	69
Distributions in the United States	69
RISK FACTORS	69
Risk Related to the Offering	70
Risks Related to the Business of the Company.....	73
PROMOTERS	85
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	86
Legal Proceedings.....	86
Regulatory Actions	86
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	86
RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT	86
AUDITOR, REGISTRAR AND TRANSFER AGENT.....	86
MATERIAL CONTRACTS	86
EXPERTS.....	87
Experts	87
OTHER MATERIAL FACTS	87
PURCHASER’S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	88
LIST OF EXEMPTIONS	88
LEGAL MATTERS	88
FINANCIAL STATEMENTS.....	88
SIGNIFICANT ACQUISITIONS	88

ELIGIBILITY FOR INVESTMENT

In the opinion of S. Paul Simpson Law Corporation, counsel to the Company, on the Closing Date, provided that the Shares are on that date listed for trading on a designated stock exchange (which includes the Exchange), the Shares will be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF"), registered disability savings plan, deferred profit sharing plan, registered education savings plan or tax-free savings account ("TFSA"), all as defined in the Tax Act (collectively, the "Investment Plans").

If the Shares are a "prohibited investment" (as defined in the Tax Act) for a trust governed by a TFSA, RRSP or RRIF (a "Registered Plan"), the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, (such holder or annuitant being a "Controlling Individual" of the Registered Plan) will be subject to a penalty tax on the Shares as set out in the Tax Act. A Share will generally not be a prohibited investment for a trust governed by a Registered Plan held by a particular holder provided that the Controlling Individual deals at arm's length with the Company for the purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in either the Company or a corporation, partnership or trust that does not deal at arm's length with the Company for purposes of the Tax Act. In general terms, a Controlling Individual of a Registered Plan will have a significant interest in the Company if the Registered Plan, the Controlling Individual, and other persons not at arm's length with the Controlling Individual together, directly or indirectly, own not less than 10% of the outstanding Shares of the Company.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that relate to the Company's current expectations and views of future events. The forward-looking statements are contained principally in the sections entitled "*Summary of Prospectus*", "*Description of the Business*", "*Use of Proceeds*", "*Selected Financial Information and Management's Discussion and Analysis*" and "*Risk Factors*".

In some cases, these forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the intention to complete the listing of the Shares on the Exchange and all transactions related thereto;
- the Company's expectations regarding its revenue, expenses and operations;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's intention to grow its business and operations;
- expectations with respect to future capital costs and capacity;
- the anticipated future gross margins of the Company's operations;

- expectations with respect to the approval of the Company's licenses and permits, including the Permits and CUP;
- the Company's competitive position and the regulatory environment in which the Company operates;
- any commentary related to the legalization of medical or recreational cannabis at the federal level and the timing related to such legalization;
- the Company's operations in the United States, the characterization and consequences of those options under federal law, and the framework for the enforcement of medical cannabis, adult-use cannabis and cannabis-related offenses in the United States;
- the Company's intention to exploit opportunities for the branding, transportation, distribution, and fulfillment of cannabis products (the "**Business**") in the United States;
- the Company's expectation that the proceeds of the Offering and/or revenues derived from its operations will be sufficient to cover its expenses over the next twelve months;
- the Company's expected business objectives for the next twelve months;
- the Company's ability to obtain additional funds through the sale of equity or debt commitments.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this prospectus, the Company has made various material assumptions, including but not limited to (i) obtaining necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business and economic conditions; (iv) the Company's ability to successfully execute its plans and intentions; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) market competition; (viii) the products and services offered by the Company's competitors; and (ix) that the Company's current relationships with its suppliers, service providers and other third parties will be maintained.

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements.

Given these risks, uncertainties and assumptions, prospective purchasers of Shares should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "*Risk Factors*", which include:

- the Company is an early stage company with little operating history, a history of losses and the Company cannot assure profitability;
- uncertainty about the Company's ability to continue as a going concern;
- the Company's actual financial position and results of operations may differ materially from the expectations of the Company's management;

- the Company expects to incur significant ongoing costs and obligations relating to its investment in infrastructure, growth, regulatory compliance and operations;
- The Company may not be able to secure additional financing for current and future operations and capital projects;
- there are factors which may prevent the Company from the realization of growth targets;
- there is no assurance that the Company will turn a profit or generate immediate revenues;
- the Company may not be able to effectively manage its growth and operations, which could materially and adversely affect its business;
- the Company faces competition from other companies where it will conduct business that may have a higher capitalization, more experienced management or may be more mature as a business;
- if the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the cannabis market;
- there is no assurance that the Company will obtain and retain any relevant licenses, including the Permits;
- the Company's industry is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition;
- the Company will continue to sell shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders;
- as the Company operates within the cannabis industry, there are difficulties and complexities associated with obtaining adequate insurance coverage;
- the Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest;
- some of the Company's planned business activities, while believed to be compliant with applicable U.S. state and local law, are illegal under federal law;
- there is uncertainty surrounding the Trump Administration and Attorney General Jeff Sessions and their influence and policies in opposition to the cannabis industry as a whole;
- the Company may not be able to obtain all necessary California licenses and permits or complete the construction of its facilities in a timely manner, which could, among other things, delay or prevent the Company from becoming profitable;
- regulatory scrutiny of the Company's industry may negatively impact its ability to raise additional capital;
- prohibitions in certain communities in California on "for profit" activities of the Company on engaging in the cannabis business;
- no assurance of success or profitability under the new legal and regulatory structure in California;

- due to the classification of cannabis as a Schedule I controlled substance under the CSA, banks and other financial institutions which service the cannabis industry are at risk of violating certain financial laws, including anti-money laundering statutes; the Company may have difficulty accessing the services of banks and processing credit card payments in the future, which may make it difficult for the Company to operate or to transfer funds outside the United States;
- any re-classification of cannabis or changes in U.S. controlled substance laws and regulations may affect the Company's business;
- the Company's contracts may not be legally enforceable in the U.S.;
- the market price for Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control; and
- the Company does not anticipate paying cash dividends.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements.

Information contained in forward-looking statements in this prospectus is provided as of the date of this prospectus, and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information or future events or results, except to the extent required by applicable securities laws. Accordingly, potential investors should not place undue reliance on forward-looking statements or the information contained in those statements.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this prospectus concerning the industry and the markets in which the Company operates, including its general expectations and market position, market opportunities and market share, is based on information from independent industry organizations, other third-party sources (including industry publications, surveys and forecasts) and management studies and estimates.

Unless otherwise indicated, the Company's estimates are derived from publicly available information released by independent industry analysts and third-party sources as well as data from its internal research, and include assumptions made by the Company which it believes to be reasonable based on its knowledge of the industry and markets. The Company's internal research and assumptions have not been verified by any independent source, and the Company has not independently verified any third-party information. While the Company believes the market position, market opportunity and market share information included in this prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry and markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the heading "*Forward-Looking Statements*" and "*Risk Factors*".

FINANCIAL INFORMATION

The Company prepares its financial statements, which are incorporated by reference into this Prospectus, in accordance with International Financial Reporting Standards (IFRS), as issued by the International

Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

The historical financial statements of the Issuer included in this prospectus are reported in Canadian dollars and have been prepared in accordance with IFRS.

MARKETING MATERIALS

Any “template version” of any “marketing materials” (each as defined in NI 41-101) that are prepared in connection with the Offering are not part of this prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this prospectus.

Any template version of any marketing materials that has been, or will be, filed on SEDAR before the termination of the distribution of the Units under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated by reference into this prospectus.

CURRENCY AND EXCHANGE RATE INFORMATION

Unless otherwise indicated, all references to “\$”, “CDN\$” or “dollars” in this short form prospectus refer to Canadian dollars and references to “US\$” or “US dollars” refer to United States dollars. The Company’s accounts are maintained in Canadian dollars and in United States dollar.

The closing exchange rates for the USD to CDN dollar for the applicable periods are set forth below:

USD\$1.00 to CDN\$	Period from January 1, 2018 to the date prior to the date of this Prospectus	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Low	1.2288	1.2128	1.2536	1.1749
High	1.3088	1.3743	1.4559	1.3965
Period End	1.3310	1.2545	1.3427	1.384

The exchange rates as at June 21, 2018, as reported by the Bank of Canada for the conversion of Canadian dollars to United States dollars was CDN\$1.00 equals USD\$0.7513 or USD1.00 equals CDN\$1,3310.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Each of James Pakulis, President, CEO and a director of the Company, Juan Flores, a director of the Company and TCHI and GF, both subsidiaries of the Company, are resident outside of Canada. Mr. Pakulis, Juan Flores, TCHI and GF have appointed S. Paul Simpson Law Corporation at Suite 2080-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4 as their agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if that party has appointed an agent for service of process.

GENERAL

Certain capitalized terms and phrases used in this prospectus are defined in the “Glossary of Terms” beginning on the following page.

Prospective purchasers should rely only on the information contained in this prospectus. Neither the Company nor the Agent have authorized any other person to provide additional or different information. If any person provides a prospective purchaser with additional or different or inconsistent information, including information or statements in media articles about the Company, such prospective purchaser should not rely on it.

Prospective purchaser should assume that the information appearing in this prospectus is accurate only as at its date. The Company’s business, financial conditions, results of operations and prospects may have changed since that date.

GLOSSARY OF TERMS

The following terms used in this Prospectus have the meanings ascribed to them below. This Glossary of Terms is not exhaustive of the defined terms or expressions used in this Prospectus and other terms and expressions may be defined throughout this Prospectus.

“**Agency Agreement**” means the agency agreement among the Company and the Agent dated ● pursuant to which the Agent has agreed to act as the Company’s agent in respect of the Offering.

“**Agent**” means Haywood Securities Inc.

“**Agent’s Commission**” means the cash commission payable to the Agent in respect of the completion of the Offering pursuant to the Agency Agreement, as more fully described under “*Plan of Distribution*”.

“**Agent’s Units**” means the Units which may be distributed to the Agent pursuant to the Agency Agreement, at the election of the Agent, in lieu of all or any portion of the Agent’s Commission, as more fully described under “*Plan of Distribution*”.

“**Agent’s Warrants**” means the warrants to purchase Shares of the Company issued to the Agent as more fully described under “*Plan of Distribution*”.

“**Agent’s Warrant Shares**” means the common shares of the Company issuable upon exercise of the Agent’s Warrants.

“**Assignment Agreement**” means the assignment agreement dated April. 28, 2018, as amended May 30, 2018, between GF and the Goodfellas Group LLC pursuant to which GF was assigned the rights, title, obligations and interest under certain branding services agreements.

“**AUMA**” means the *Adult Use of Marijuana Act* (California).

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended from time to time.

“**Board**” means the board of directors of the Company.

“**Business**” means the provision of branding, transportation, distribution, and fulfillment services for cannabis products by the Company in the State of California.

“**Closing**” means the completion of the Offering.

“**Closing Date**” means the date on which the Closing occurs, as mutually determined by the Company and the Agent.

“**Company**” means TransCanna Holdings Inc., a company incorporated under the laws of the Province of British Columbia.

“**Corporate Finance Fee**” means the corporate finance fee charged to the Company by the Agent in consideration of corporate finance structuring and administrative services provided by the Agent.

“**CSA**” means the United States *Controlled Substances Act*.

“**Consulting Agreement**” means the consulting agreement dated November 15, 2017, as amended May 16, 2018 and May 17, 2018 between the Company and James Pakulis regarding the provisions of services by Mr. Pakulis as the Company’s President and CEO.

“**CUP**” means the conditional use permit held by TCMD issued by the city of Adelanto, California for the transportation and distribution of medical marijuana products.

“**DEA**” means the United States Drug Enforcement Agency.

“**Distribution Facility**” means the distribution facility to be constructed on the Property, leased to TCMD pursuant to the Lease Agreement and from which TCMD proposes to operate the majority of the Business.

“**Effective Date**” means the date of issue of the final receipt by the Securities Commissions for this Prospectus.

“**Engagement Letter**” means the engagement letter between the Company and the Agent dated March 12, 2018 in respect of the Offering, which is superseded in its entirety by the Agency Agreement.

“**Escrow Agent**” means Odyssey Trust Company.

“**Escrow Agreement**” means the escrow agreement dated June 6, 2018 among the Company, the Escrow Agent and certain of the Principals as more fully described under “*Escrowed Securities*”.

“**Exchange**” means the Canadian Securities Exchange.

“**Forward-Looking Information**” means statements contained in this Prospectus that are not historical facts and are forward-looking statements or forward-looking information.

“**FROR Agreement**” means the first right of refusal agreement dated November 15, 2017 between James Pakulis, TCMD and the Company concerning the membership of TCMD.

“**GF**” means GF Group Inc., a wholly-owned subsidiary of the Company incorporated in California.

“**Insider**” if used in relation to an Issuer, means:

- (a) a director or senior officer of an issuer;
- (b) a director or senior officer of the company that is an Insider or subsidiary of an issuer;

(c) a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of an issuer;

or

(d) an issuer itself if it holds any of its own securities.

“LDS” means Lifestyle Delivery Systems Inc., an Exchange listed company operating in the medical marijuana industry in California.

“LDS Devco” means LDS Development Corporation, a wholly-owned California subsidiary of LDS.

“Lease Agreement” means the industrial lease agreement dated December 29, 2017 entered into between TCMD and LDS Devco in respect of the Property and proposed Distribution Facility.

“Licensed Operators” means persons licensed by the State of California to cultivate, manufacture and sell cannabis or cannabis-related products.

“License Agreement” means the intellectual property license and royalty agreement dated November 15, 2017, as amended February 20, 2018, between the Company and LDS pursuant to which LDS has licensed to the Company the Track and Trace Intellectual Property.

“Listing Date” means the date on which the Shares are listed for trading on the Exchange.

“Management Agreement” means the consulting services agreement dated November 15, 2017 between TCMI and TCMD pursuant to which TCMI shall manage the operations of TCMD.

“MAUCRSA” means the *Medical and Adult-Use Cannabis Regulation and Safety Act* (California).

“Maximum Offering” means the offering and sale of up to 3,000,000 Units, not including any issuance of Units pursuant to the Over-Allotment Option.

“MCRSA” means the three bills passed by the California legislature collectively known as the *Medical Cannabis Regulation and Safety Act*.

“Minimum Offering” means the offering and sale of at least 2,400,000 Units.

“Named Executive Officer” or **“NEO”** means for every reporting issuer, the following individuals: (a) its CEO; (b) its CFO and (c) each of its three most highly compensated executive officers, other than the CEO and CFO, whose total salary and bonus exceeded \$150,000; and in the case of the Company means James Pakulis and Gregory Ball.

“NP 46-201” means National Policy 46-201, *Escrow for Initial Public Offerings*.

“NI 52-110” means National Instrument 52-110, *Audit Committees*.

“Odyssey” means Odyssey Trust Company, a trust company having an office in Vancouver, British Columbia and the Company’s registrar and transfer agent, warrant agent and escrow agent.

“Offering” means the offering of Units of the Company as more fully described under *“Plan of Distribution”*.

“Offering Jurisdictions” means British Columbia, Alberta and Ontario.

“Offering Price” means \$0.50 per Unit, the price at which the Units are being offered for sale under this Prospectus.

“Over-Allotment Option” means the option granted by the Company to the Agent for a period of 30 days following the Closing Date to sell up to an additional number of Units equal to 15% of the Units sold in the Offering on the same terms.

“Permits” means the medical marijuana transportation permit and medical marijuana distribution permits anticipated to be issued by the State of California to TCMD for the operation of the Business.

“Person” means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual, or an individual.

“Principal” means, with respect to the Company:

- (a) a person or company who acted as a promoter of the Company within two years of the initial public offering prospectus
- (b) the directors and senior officers of the Company or any of its material operating subsidiaries;
- (c) promoters of the Company during the two years preceding this Offering;
- (d) those who own or control more than 10% of the Company's voting securities immediately before and immediately after completion of this Offering if they also have elected or appointed or have the right to elect or appoint a director or senior officer of the Company;
- (e) those who own or control more than 20% of the Company's voting securities immediately before and immediately after completion of this Offering; and
- (f) associates and affiliates of any of the above.

being in this case, each of James Pakulis, Gregory Ball, Joao da Costa, Brad Eckenweiler, Juan Flores and their respective spouses and other immediate family living at the same address.

“Property” means parcels known as the 17420 and 17422 Koala Road, Adelanto, California at which the Distribution Facility shall be constructed, which is within the industrial greenhouse project of LDS Devco located at 17374-17422 Koala Road, Adelanto, California.

“Prospectus” means this preliminary prospectus of the Company.

“Securities Commissions” means the securities regulatory authorities in each of the Offering Jurisdictions.

“SEDAR” means the System for Electronic Document Analysis and Retrieval, as located on the internet at www.sedar.com.

“Share” means a common share in the authorized share structure of the Company.

“Stock Option Plan” means the 10% rolling stock option plan adopted by the Company.

“Tax Act” means the *Income Tax Act* (Canada) as amended from time to time.

“TCMI” means Trans Canna Management Inc., a wholly-owned subsidiary of the Company incorporated in California.

“TCMD” means TCM Distribution Inc., a California non-profit mutual benefit corporation, the sole membership of which is held by James Pakulis.

“Track and Trace Intellectual Property” means the software, support and use documentation and hardware access necessary to comply with the State of California’s track-and-trace requirements as developed or held by LDS and licensed to the Company by LDS pursuant to the Licensing Agreement.

“Unit” means the units of the Company being offered for sale pursuant to the Offering and this Prospectus, each comprising of one Share and one Warrant.

“U.S. Securities Act” means the United States *Securities Act* of 1933, as amended.

“Warrant” means a share purchase warrant of the Company, comprising part of the Units being offered for sale pursuant to the Offering, entitling the holder thereof to acquire one additional Share at a price of \$1.00 per Share for a period of 12 months following the Closing Date, subject to an accelerated expiry clause as more fully described in *“Description of Securities Distributed”*.

“Warrant Indenture” means the warrant indenture to be entered into on the Closing Date between the Company and the Warrant Agent governing the terms and conditions of the Warrants.

“Warrant Agent” means Odyssey Trust Company.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Company

The Company was incorporated under the BCBCA on October 26, 2017 under the name “TransCanna Holdings Inc.” The principal business of the Company will be the provision of branding, transportation, distribution, logistics and fulfillment services to the medical and adult-use cannabis industry in the state of California, which it conducts through its wholly-owned California subsidiaries, GF and TCMI, which in turn provide operational and management services to TCMD. The Company, through its subsidiaries, currently operates in the State of California. The Company intends to fund the development of its branding, design and logistics facilities using the proceeds of the Offering. See “*Description of the Business*”. To date, the principal business of the Company has been securing a medical marijuana transportation and distribution permit from the City of Adelanto, applying for permitting licenses from the State of California, securing a lease for the Distribution Facility, securing branding agreements through the Assignment Agreement, securing exclusive distribution agreements with three initial clients, and seeking to obtain a listing on the Exchange.

The Offering

- Offering: A minimum of 2,400,000 Units and up to a maximum of 3,000,000 Units
- Offering Price: \$0.50 per Unit
- Offering Size: Minimum of \$1,200,000 and up to a maximum of \$1,500,000 (before commissions, fees and expenses of the Offering). See “*Use of Proceeds – Funds Available*”.
- Over-Allotment Option The Company has granted the Agent an option, exercisable in whole or in part, within 30 days following the Closing Date to sell up to an additional number of Units equal to 15% of the Units sold pursuant to the Offering on the same terms. See “*Plan of Distribution*”
- Agent: Haywood Securities Inc. has been appointed to act as the Company’s exclusive agent pursuant to the Agency Agreement to conduct the Offering on a commercially reasonable efforts basis and will be paid the Agent’s Commission from the sale of the Shares sold pursuant to the Offering. See “*Plan of Distribution*”.
- Agent’s Commission: A commission representing 8.0% of the gross proceeds of the Offering will be paid to the Agent in cash or through the issuance of the Agent’s Units, at the option of the Agent. In addition, the Company will pay to the Agent the Corporate Finance Fee in the amount of \$25,000 (plus GST). The Agent will also be granted the Agent’s Warrants to acquire the Agent’s Warrant Shares in an amount equal to 8.0% of the Units sold in the Offering, at an exercise price of \$0.50 per Agent’s Warrant Share for a period of 12 months from the

Closing Date. The distribution of the Agent's Units and the Agent's Warrants is qualified under this Prospectus. See "*Plan of Distribution*".

Listing: There is currently no market through which the Shares may be sold. The Company has applied to list its Shares on the Exchange. Listing is subject to the Company fulfilling all of the listing requirements of the Exchange.

See "*Plan of Distribution*".

Use of Proceeds

The estimated net proceeds of the Minimum Offering after deducting the Agent's Commission (assuming the Agent's Commission is paid entirely in cash and not including any exercise of the Over-Allotment Option), the Corporate Finance Fee and the expected remaining costs of the Offering (estimated at \$128,575) will be \$949,175 (\$1,225,175 Maximum Offering). The Company intends to use the net proceeds of the Offering together with the Company's approximate working capital as at May 31, 2018 of \$115,000 as follows:

Item	Minimum Offering	Maximum Offering
Vehicle acquisition and maintenance	Nil	\$100,000
Payments due pursuant to the Assignment Agreement	\$182,000	\$182,000
Estimated general and administrative expenses over the 12 months following the Closing Date	\$882,000	\$1,001,000
Unallocated working capital	\$175	\$57,175
TOTAL	\$1,064,175	\$1,340,175

See "*Use of Proceeds*". In order for the Company to achieve its stated objectives, it will need to raise additional funds or commence generating revenues immediately following the completion of the Offering.

Eligibility for Investment

On the Closing Date, provided that the Shares are on that date listed for trading on a designated stock exchange (which includes the Exchange), the Shares will be qualified investments under the Tax Act for trusts governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered disability savings plan, deferred profit sharing plan, registered education savings plan or tax-free savings account ("**TFSA**"), all as defined in the Tax Act (collectively the "**Investment Plans**").

If the Shares are a "prohibited investment" (as defined in the Tax Act) for a trust governed by a TFSA, RRSP or RRIF (a "**Registered Plan**"), the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, (such holder or annuitant being a "**Controlling Individual**" of the Registered Plan) will be subject to a penalty tax on the Shares as set out in the Tax Act. A Share will generally not be a prohibited investment for a trust governed by a Registered Plan held by a particular holder provided that the Controlling Individual deals at arm's length with the

Issuer for the purposes of the Tax Act and does not have a “significant interest” (as defined in the Tax Act) in either the Issuer or a corporation, partnership or trust that does not deal at arm’s length with the Issuer for purposes of the Tax Act. In general terms, a Controlling Individual of a Registered Plan will have a significant interest in the Issuer if the Registered Plan, the Controlling Individual, and other persons not at arm’s length with the Controlling Individual together, directly or indirectly, own not less than 10% of the outstanding Shares of the Issuer.

See “*Eligibility for Investment*”. Prospective purchasers who intend to hold Shares in a Registered Plan should consult their own tax advisors regarding their particular circumstances.

Risk Factors

Investment in the Units is highly speculative and involves a significant degree of risk. Prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Units, including (i) risks relating to the Offering such as discretion in the use of proceeds from the Offering, additional financial requirements of the Company, no current market for the Company’s securities, volatility of publicly traded securities, risks of further dilution, enforcement of judgments against certain foreign persons and subsidiaries, the Company’s ability to continue as a going concern, negative cash flow from its operations, and the payment of dividends, and (ii) risks relating to the Business, such as risks specifically related to evolving regulation in the United States and the legality of the production, distribution, marketing, distribution, sale and use of cannabis within different North American jurisdictions; banking and financial issues relating to the cannabis industry, including, but not limited to, the transfer of funds to bank accounts held by the Company outside of the United States; heightened scrutiny by regulatory authorities in Canada, prohibitions of ‘for profit’ activities in certain communities in the state of California, changes in laws, regulations and/or guidelines governing the cannabis industry; the ability to obtain operation permits and authorizations; the enforceability of the Company’s contracts; unfavourable publicity or consumer perception; the limited operating history of the Company; costs relating to the development of the Company’s operations; competition in the cannabis industry; currency fluctuations; reliance and dependence on key management; potential illegal or fraudulent activities of employees; insurance coverage; operational risks; cybersecurity risks; the Company being a holding company, and conflicts of interest.

An investment in the Company’s securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk the loss of their entire investment. Investors should consult their own professional advisors to assess the investment.

See “*Risk Factors*” for greater detail of these and other risk factors.

Summary of Selected Consolidated Financial Information

The following table sets forth selected financial information for the Company for the periods indicated. The following summary of selected financial information is derived from and should be read in conjunction with and is qualified in its entirety by reference to the Company’s audited financial statements for the period from incorporation to November 30, 2017 and for the period from December 1, 2017 to April 30, 2018 and related notes thereto, together with the Management’s Discussion and Analysis as included elsewhere in this prospectus. See “*Selected Annual Financial Information and Management’s Discussion and Analysis*”.

Selected Financial Information	For the period from October 26, 2017 (date of incorporation) to November 30, 2017	For the five month period ended April 30, 2018
---------------------------------------	------------------------------------------------------------------------------------------	-------------------------------------------------------

Operations Data

Total Revenues	Nil	Nil
Total Expenses	\$191,359	\$335,808
Net Income (Loss)	(\$191,359)	\$(335,937)
Net Income (Loss) per Share – Basic and Fully Diluted	(\$0.97)	(\$0.04)

Balance Sheet Data

	As at November 30, 2017	As at April 30, 2018
Current Assets	\$104,744	\$461,715
Other Assets	\$63,820	\$96,202
Total Assets	\$168,564	\$557,917
Current Liabilities	\$14,923	\$59,213
Working Capital	\$89,821	\$402,502
Other Liabilities	Nil	Nil
Total Liabilities	\$14,923	\$59,213
Share Capital	\$210,000	\$786,000
Reserves	\$135,000	\$165,000
Deficit	(\$191,359)	(\$526,452)
Total Equity	\$153,461	\$498,704
Number of Shares Issued and Outstanding	6,900,000	10,080,000

CORPORATE STRUCTURE

Name and Incorporation

The Company was incorporated under the BCBCA on October 26, 2017 as “TransCanna Holdings Inc.”

The head office of the Company is located at Suite 820 – 1130 West Pender Street, Vancouver, British Columbia, V6E 4A4, and the registered and records office of the Company is located at Suite 2080, 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

The Company is not currently a reporting issuer and the Shares are not listed or posted for trading on any stock exchange, but the Company will become a reporting issuer in the provinces of British Columbia, Alberta and Ontario upon the issuance of a receipt for the final Prospectus.

Intercorporate Relationships

The Company has two wholly-owned subsidiaries, being TCMI and GF, which are companies incorporated pursuant to the laws of the State of California. The corporate laws of the State of California do not materially differ from Canadian corporate legislation with respect to the corporate governance principles of the Exchange.

Additionally, that portion of the Business which relates to transportation, distribution, and fulfillment services is conducted by TCMD, which holds the CUP and will hold the Permits. TCMI has entered into the Management Agreement with TCMD as described below, from which TCMI will derive its revenues.

TCMD is a non-profit mutual benefit corporation incorporated pursuant to the laws of the State of California. The State of California requires all applicants for and holders of medical marijuana permits be non-profit corporations, and at the time of incorporation of the Company, California state laws had the same requirement. The sole member of TCMD is James Pakulis, who is the President, CEO and a director of the Company. Mr. Pakulis, TCMD and the Company have entered into the FROR Agreement in relation to TCMD pursuant to which Mr. Pakulis has granted to the Company a first right of refusal to purchase the membership of TCMD until November 15, 2022 at the price and on the terms offered by any bona fide purchaser. Additionally, in contemplation of a change to Californian law which was to become effective from or after January 1, 2018, to allow medical marijuana permits to be held by for-profit business corporations, the Company, TCMD and Mr. Pakulis entered into a re-organization agreement, providing for the future conversion of TCMD to a for-profit business corporation at such time as it is permitted under California state law and provided that the City of Adelanto has adopted an ordinance amending its municipal code to allow the CUP to be held by a for-profit business corporation.

DESCRIPTION OF THE BUSINESS

Overview of the Company

The Company is a Canadian based company providing services to the medical and adult-use cannabis industry in California. The Company’s principal business activities will be:

(a) through TCMI, the management of transportation and distribution services in the state of California which includes, but is not limited, to transportation and distribution of cannabis and cannabis-related products; and

(b) through GF, the provision of branding and marketing services to cannabis-related clients.

The Company has undertaken the following steps since its incorporation to develop its business: (1) recruited directors and officers with the skills required to operate a junior public cannabis-related company; (2) incorporated TCMI and facilitated the incorporation of TCMD, (3) entered into the Management Agreement and Lease Agreement, (4) facilitated the execution by TCMD of three exclusive distribution agreements with certain proposed transportation and distribution clients; (5) raised sufficient financing to undertake its short term objectives, and to make an application for listing on the Exchange; (6) incorporated GF and, through GF, entered into the Assignment Agreement and recruited consultants for the provisions of its sales and marketing services; and (7) engaged the Agent to assist the Company in making an application for listing on the Exchange, and to raise funding under this Prospectus.

The Company's primary focus over the next 12 months will be the ongoing growth of its branding portfolio and development of its distribution and transportation operations.

Sales and Marketing

Through GF and pursuant to the Assignment Agreement, the Company has secured exclusive branding and design agreements for twenty-three (23) separate brands with cannabis-related clients and will in the current financial year continue to seek to secure additional branding clients.

Following completion of the Offering, two new consultants, experienced in cannabis sales, will commence work with GF.

Transportation and Distribution

Through TCMI, the Company plans to manage the distribution, transportation and logistics operations of TCMD within the cannabis industry in the State of California. TCMI will manage the provision by TCMD of distribution and transportation services between Licensed Operators and Dispensaries. TCMD intends to build a statewide network with a minimum of five facilities. TCMD anticipates building the Distribution Facility on the Property subject to the Lease Agreement. The Distribution Facility is intended to be a 10,000 sq. ft facility. TCMD will continue to actively seek space in an existing facility in Adelanto, California to serve as its distribution hub as an alternative.

Cannabis distribution and transportation is a relatively new sector of the overall cannabis industry in California, as a result of the state of California regulating all cannabis related activities effective January 1, 2018. There are various types of licenses issued by the state of California in the cannabis industry, of which TCMD is applying for a cannabis distributor and transportation license. Currently there is a limited pool of distribution and transportation companies operating in this area.

TCMD has, as of the date of this Prospectus, entered into three exclusive distribution agreements with certain Licensed Operators, subject to TCMD obtaining all necessary distribution and transportation licenses and state permits, for the provision of distribution, transportation, marketing and sales services within the State of California.

Three Year History

The Company was incorporated on October 26, 2017. On October 23rd, 2017 TCMI was incorporated in the State of California as a for profit entity. On November 15, 2017 the Company acquired a 100% ownership interest in TCMI and TCMI and the Company entered into the following agreements:

- (a) the Management Agreement, a related equipment leasing agreement and a licensing and royalty agreement;
- (b) A revolving promissory note as between the Company and TCMI and a note as between TCMI and TCMD; and
- (c) the License Agreement as between LDS and the Company, and a related sublicensing agreement as between the Company and TCMD, in relation to the Track and Trace Intellectual Property.

Management Agreement

The Management Agreement is entered into between TCMI and TCMD. Pursuant to the Management Agreement, TCMI shall provide consulting services to TCMD in connection with the provision of services related to the acquisition, transportation, marketing, distribution and eventual sale of medical marijuana products for Licensed Operators. TCMI shall act as the operations manager for TCMD in relation to the Distribution Facility, including all revenue and non-revenue producing activities and all operations of TCMI to the extent permitted under California law. In consideration for such services, TCMD shall pay to TCMI a monthly fee comprising 90% of the excess of net revenues over the cost of services, payable monthly and shall reimburse TCMI for the cost of services, including costs of employees and management, direct marketing expenses, sales, use and excise taxes assessed against TCMD, lease payments, equipment purchases and rentals, legal fees and costs, insurance and administrative costs.

The Management Agreement has a 20-year term expiring on December 31, 2037. The Management Agreement may be terminated:

- (a) by mutual agreement of TCMI and TCMD;
- (b) on a date selected by TCMI;
- (c) in the event of the bankruptcy or insolvency of either party;
- (d) in the event of any legal prohibition of the parties' relationship, or
- (e) in the event of substantial breach of the Management Agreement by either party, which continues for a period of 30 days following the giving of written notice of same.

In the event of a termination, TCMI shall be entitled to the distribution of all remaining assets of TCMD, following payment of payrolls, taxes and other creditors as liquidated damages for the early termination of the agreement. During the term of the Management Agreement, TCMI has the absolute right to manage, in the terms in this services agreement, any new permits, ventures or business opportunities of TCMD.

In connection with the Management Agreement, on November 15, 2017, TCMD and TCMI also entered into an equipment leasing agreement, pursuant to which TCMI would lease transportation equipment to TCMD for the purposes of the operations of the Business. TCMD shall reimburse TCMI for payments and expenses associated with such equipment on a project by project basis. The equipment leasing agreement may be terminated on 60 days' notice.

In further connection with the Management Agreement, on November 15, 2017, TCMD and the Company entered into an intellectual property license and royalty agreement pursuant to which the Company has licensed to TCMD certain intellectual property, in the form of proprietary systems for the operation of the Business. In consideration for the license, which shall have a 10-year term, TCMD shall pay to the Company a royalty of 20% of the gross revenues derived from the transportation and sale through distribution of cannabis products as produced from the Business, payable quarterly. The agreement may be terminated by TCMD on 180 days' notice, by the Company immediately in the event of a breach of a payment or reporting obligation by TCMD, by the Company on 30 days' notice in the event of any other material breach of the agreement which remains uncured or by the Company in the event of an insolvency event of TCMD.

Note Facilities

On November 15, 2017, the Company entered into a revolving promissory note facility for up to US\$1,000,000 to provide TCMI with capital as needed. The amounts drawn under the note bear interest at a rate of 8% per annum, compounded on the last day of each month, the date of each advance and the date of each payment, and is due on or before October 31, 2019. On November 15, 2017, the Company also entered into a promissory note with TCMD for a maximum facility of \$15,000. The amounts drawn under the note bear interest at a rate of 10% per annum, compounded on the last day of each month, the date of each advance and the date of each payment, and is due on or before October 31, 2019.

On May 2, 2018, the Company entered into a revolving promissory note facility for up to US\$1,000,000 to provide GF with capital as needed. The amounts drawn under the note bear interest at a rate of 10% per annum from the date of each advance until the date of any payment and is due on or before December 31, 2019.

License Agreement

The License Agreement is entered into between LDS and the Company. Pursuant to the License Agreement, LDS has granted to the Company a non-exclusive license of the Track and Trace Intellectual Property for a five-year term, in consideration of the payment by the Company of a one-time fee of US\$50,000, which has been paid, and the issuance of such number of Shares as represents 9.0% of the issued and outstanding Shares immediately prior to the Company's initial public offering. An aggregate of 1,082,473 Shares have been issued to LDS, of which 1,028,077 Shares were issued on May 2, 2018 and 54,396 Shares were issued on June 5, 2018, in fulfillment of the Company's obligation pursuant to the License Agreement. The License Agreement may be terminated by the Company on 180 days' notice, by LDS on 30 days' notice in the event of any material breach of the License Agreement, which remains uncured or by LDS in the event of an insolvency event of the Company. The License Agreement permits the sublicense of the Track and Trace Intellectual Property to the Company's subsidiaries and affiliates.

In connection with the License Agreement, on the same date, the Company entered into an intellectual property license and royalty agreement with TCMD, pursuant to which the Company

has licensed the Track and Trace Intellectual Property to TCMD in order for it to carry out the Business, for a five year term in consideration of the payment to the Company of a royalty representing 40% of the gross revenues derived from the transportation, distribution and sale of any cannabis products by TCMD payable quarterly. The agreement may be terminated by TCMD on 180 days' notice, by the Company immediately in the event of a breach of a payment or reporting obligation by TCMD, by the Company on 30 days' notice in the event of any other material breach of the agreement which remains uncured, by the Company in the event of an insolvency event of TCMD or by the Company in the event of the termination of the License Agreement.

Permits

On December 5th, 2017 TCMD received from the City of Adelanto approval for the CUP. The CUP permits TCMD to operate a medical marijuana transportation and distribution facility from a proposed 10,000 sq. ft building, being the Distribution Facility when completed, at the Property, subject to the receipt of required licensing at the state level.

Subsequent to the issuance of the CUP, TCMD filed an application for a state of California transportation and distribution license.

Lease Agreement

On December 29, 2017, LDS Devco and TCMD entered into the Lease Agreement pursuant to which LDS Devco has agreed to lease to TCMD the Property for the purposes of construction and use of the Distribution Facility for a term of five years with two options to extend the lease term by five years each. Under the Lease Agreement, TCMD shall pay to LDS Devco a minimum annual rent of US\$36,000, payable monthly, during the first five-year term, which shall increase to a minimum annual rent of US\$39,600 during the second five-year term, if any, and to US\$43,650 per year during the third five-year term. The payment of rent as well as the lease term commences 30 days following delivery of a certificate of occupancy to TCMD following completion of the Distribution Facility.

Assignment Agreement

On April 28, 2018, GF and The Goodfellas Group LLC entered into the Assignment Agreement, which was amended on May 30, 2018, pursuant to which GF was assigned the rights, title, obligations and interest under certain branding services agreements. As consideration for the assignments, GF shall pay to The Goodfellas Group LLC, an aggregate of US\$300,000 in cash, of which US\$50,000 was paid on the execution of the Assignment Agreement, a further US\$78,000 was paid on May 4, 2018, US\$32,000 was paid on May 29, 2018 and a final US\$140,000 will be payable on or before the date which is 10 business days following completion of the Offering and the listing of the Shares on the Exchange. Under the branding agreements subject to the assignment, GF will be responsible for marketing and sales and other product awareness and branding services to Licensed Operators. In consideration therefore, GF shall receive a monthly fee based on a percentage of the Licensed Operator's gross sales, which varies based on the individual branding agreement.

In connection with the Assignment Agreement, TCMI also entered into a consulting agreement with The Goodfellas Group LLC dated April 30, 2018, pursuant to which The Goodfellas Group LLC provides consulting services to TCMI in relation to the branding services agreements in

consideration of the payment of US\$35,000 per month. The consulting agreement has an initial six-month term and is intended to provide transitional services.

Distribution Agreements

In April 2018, TCMD entered into three exclusive distribution agreements with Licensed Operators in the State of California whereby the operators granted to TCMD the exclusive right to distribute, market and sell certain of their products within the State of California, commencing upon the receipt of TCMD of all required state and local licenses and permits. Under the distribution agreements, in consideration for such services, TCMD shall acquire from the Licensed Operators products to satisfy TCMD's requirements for re-sale and TCMD shall receive the proceeds from the further distribution and sale of the products.

Recent Financings

The Company completed the following financings since incorporation:

- On November 30, 2017, 3,000,000 Shares were issued at \$0.005 per Share for aggregate proceeds of \$15,000.
- On November 30, 2017, 3,900,000 Shares were issued at \$0.05 per Share for aggregate proceeds of \$195,000.
- On January 19, 2018, 1,920,000 Shares were issued at \$0.10 per Share for aggregate proceeds of \$192,000.
- On February 27, 2018, 240,000 Shares were issued at \$0.10 per Share for aggregate proceeds of \$24,000.
- On March 20, 2018, 360,000 Shares were issued at \$0.25 per Share for aggregate proceeds of \$90,000.
- On April 20, 2018, 600,000 units were issued at \$0.50 per unit for aggregate gross proceeds of \$300,000. A finder's fee of \$30,000 was paid to a registered dealer through the issuance of an aggregate of 60,000 units at a price of \$0.50 per unit. Each unit, including the units issuable as a finder's fee, comprised one Share and one share purchase warrant, exercisable at a price of \$1.00 per Share for a period of two years expiring on April 20, 2020.
- On May 1, 2018, 300,000 units were issued at \$0.50 per unit for aggregate gross proceeds of \$150,000. A finder's fee of \$7,500 was paid to a registered dealer through the issuance of an aggregate of 15,000 units at a price of \$0.50 per unit. Each unit, including the units issuable as a finder's fee, comprised one Share and one share purchase warrant, exercisable at a price of \$1.00 per Share for a period of two years expiring on May 1, 2020.
- On May 28, 2018, 400,000 units were issued at \$0.50 per unit for aggregate gross proceeds of \$200,000. Finder's fees of \$20,000 was paid to registered dealers through the issuance of an aggregate of 40,000 units at a price of \$0.50 per unit. Each unit, including the units issuable as finder's fees, comprised one Share and one share purchase warrant, exercisable at a price of \$1.00 per Share for a period of two years expiring on May 28, 2020.

- On June 4, 2018, 100,000 units were issued at \$0.50 per unit for aggregate gross proceeds of \$50,000. A finder's fee of \$5,000 was paid to a registered dealer through the issuance of an aggregate of 10,000 units at a price of \$0.50 per unit. Each unit, including the units issuable as finder's fees, comprised one Share and one share purchase warrant, exercisable at a price of \$1.00 per Share for a period of two years expiring on June 4, 2020.

For additional information, please see "*Prior Sales*".

Principal Products and Services

The Company is in the development stage and is not yet generating commercial revenues from the Business.

As stated above, the Company's business activities will be:

- (a) through TCMI, the management of transportation and distribution services in the state of California which includes, but is not limited, to transportation and distribution of cannabis-related products; and
- (b) through GF, the provision of branding and marketing services to cannabis-related clients.

The Company has no history of operations in the cannabis industry. Even if the Company is successful in commencing commercial operations, there is no guarantee that the business model of providing all or any combination of branding, marketing, transportation, distribution and fulfillment services to Licensed Operators will be a viable business.

Marijuana is a Schedule I controlled substance under the CSA and is illegal under U.S. federal law. The approach to enforcement of U.S. federal laws against marijuana is subject to change. Even in those states in which the use of marijuana has been legalized, its cultivation, sale and use remains a violation of U.S. federal law. Since U.S. federal law criminalizing the use of marijuana pre-empts state laws that legalize its use, strict enforcement of federal law regarding marijuana would likely result in the Company's inability to proceed with its business plan.

Voters in California voted in favor of the legalization of adult-use cannabis use in November 2016, which took effect on January 1, 2018. California is the most populous state in the United States with 39 million residents. Per the Marijuana Policy Project, as at February 9, 2018, an estimated 1,256,550 individuals in California use medicinal cannabis. Sales from medicinal marijuana in the State of California generated US\$2.7 billion in 2016 and \$3.7 billion in 2017 (CFN Media Group).

The Company's branding and marketing services operations have already commenced. The Company anticipates that TCMD's transportation, distribution and fulfillment services will commence commercially on the completion of the Distribution Facility, which is anticipated to be completed in approximately twelve to 24 months. TCMD intends to explore additional leasing opportunities in Adelanto in the interim. LDS Devco is constructing the bulk of the structures to be located at the Property and the Company anticipates that TCMD's portion of the costs to be borne in relation to the development and fixturing of the Distribution Facility will be \$100,000, which is not expected to be incurred in the 12 months following the completion of the Offering. LDS Devco is currently preparing a site plan for the Property that includes two parcels for the Distribution Facility.

TCMD will continue to seek additional space throughout the state of California for additional distribution facilities, and should it secure suitable facility space in advance of the completion of the Distribution Facility, it will commence transportation, distribution and fulfillment operations from those locations first.

TCMD currently holds the CUP and has applied for the Permits, which the Company anticipates will be issued upon the earlier of the completion of the Distribution Facility or TCMD securing additional space for the transportation and distribution space. The Permits will be subject to annual renewal. As TCMD expands its operations to other municipalities in California, it will be required to obtain permitting in those municipalities prior to commencing operations.

TCMD's services will be rendered to Licensed Operators. As of May 3, 2018, there are 563 Licensed Operators in the State of California, which number continues to increase as the State of California reviews and approves new license applications. The Company may determine to provide services in other states where the use of medical and recreational marijuana has been legalized in the future, but the Company currently expects to focus its operations within the State of California.

Production and Services

Sales and Marketing

The Company has commenced branding and marketing services through GF by engaging seven consultants and will increase its staffing, either with employees or additional consultants, upon completion of the Offering. Additional marketing and sales plans will be driven through visibility at industry conferences and trade shows.

Transportation and Distribution

The Company will operate the transportation and distribution portion of the Business through TCMI. TCMD anticipates constructing the Distribution Facility at the Property, following completion of grading and off-site improvements at the Property by LDS. The Distribution Facility is scheduled to be a 10,000 sq. ft. fully enclosed secure facility. The Distribution Facility will be designed to be compliant with California laws requiring that "medical" and "adult use" inventories be stored in separate locations. TCMD will also continue to pursue additional leasing opportunities with existing facilities that may or may not already be licensed, located in municipalities with an approved 'cannabis zone'.

TCMD plans to utilize advanced security measures and protocols as part of its operations, including retaining a security firm for full time monitoring of its pending facilities. All vehicles will be equipped with and tracked by GPS. The trucks will be equipped with the latest in communication equipment enabling them to instantly transmit an alarm with precise location to TCMD's base as well as local authorities. The trucks will also be equipped with video equipment that will transmit a constant signal to the base that can be shared with local authorities.

All personnel involved with TCMD will go through Live Scan and an extensive vetting process. Adelanto residents will have hiring priority for jobs based at the Distribution Facility in accordance with the Adelanto Municipal Code.

TCMD's vehicles will be loaded within the confines of a building in a secured loading zone. All merchandise held at the Distribution Facility awaiting transport will be secured. The building will

be equipped with the latest technology for surveillance, security and monitoring of product and personnel. Only authorized personnel will have access to the area where merchandise is being held. The area where merchandise will be held awaiting transport will be climate controlled to help preserve the integrity of the product.

When required by state law, TCMD will be responsible for the collection of state cultivation and manufacturing taxes as part of the sale of cannabis products to retailers. Taxes will be remitted to the state on the 20th of each month for taxes that were collected during the preceding month.

Specialized Skills and Knowledge

Certain aspects of the Company's business, relating particularly to compliance with California state laws, will require specialized skills and knowledge. Increased competition for personnel experienced in the industry may make it more difficult to locate competent employees and consultants and may affect the Company's ability to grow at the pace it desires.

The Company does not anticipate difficulties in hiring and training drivers and security personnel for the transportation and distribution aspects of the Business.

Competitive Conditions

The fast-growing market for legalized cannabis in the United States has created a competitive environment for cannabis producers as well as other types of companies who provide goods and services to the cannabis industry. However, there remains a significant lack of experienced service providers to facilitate the operations of Licensed Operators. Management believes that the Company can provide servicing solutions to companies in the cannabis sector.

In addition, financing for companies in the cannabis sector is more difficult than other sectors, particularly in the United States, due to the fact that cannabis is still classified as a Schedule I drug and is illegal at the Federal level. The changing regulatory environment at the state level further complicates financing for companies in this sector.

Because of the rapid growth of the cannabis industry, the Company faces competition from other companies in the sector who are accessing the equity capital markets as well as other entities seeking to provide services to Licensed Operators, many of which have greater financial resources and infrastructure networks than the Company. As a result of this competition, the Company may not be able to attract significant clientele for its services. The abilities of the Company to attract clientele in the future will depend not only on its success with current clientele, but its ability to broaden its service base and commence its proposed transportation, distribution and fulfillment services quickly and efficiently. See "*Risk Factors*".

As of May 3, 2018, there are 563 Licensed Operators in the State of California.

Components

The materials, such as vehicles and security systems, the Company requires to carry on its business are available through normal supply or business contracting channels in California. The Company has secured personnel to conduct the initial operations of the Business, including its anticipated initial growth.

Intangible Properties

The Company's Business will not be substantially dependent on the protection of any proprietary rights or technologies. The Company has received from LDS a non-exclusive license in respect of the Track and Trace Intellectual Property, which it has in turn sub-licensed to TCMD. The Company will assist in the development of branding campaigns and other intangibles for Licensed Operators. Although trademarks for cannabis and cannabis-related products may be registered in the State of California, no trademark protection is available at the Federal level.

Cycles

The Company does not expect its business to be cyclical or seasonal.

Economic Dependence and Changes to Contracts

The Company's business is not dependent on any contract, such as a contract to sell the major part of its products or services or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends. It is not expected that the Company's business will be affected in the current financial year by the renegotiation or termination of contracts or sub-contracts.

Environmental Protections

The operation of the Business has no extraordinary environmental protection requirements. As a result, the Company does not anticipate that any environmental regulations or controls will materially affect its products and services.

Employees

As of the date of this Prospectus, the Company had the following number of employees and contractors:

Location	Full Time Employees	Contractors
British Columbia	Nil	5
California	Nil	13

To date, the Company has engaged a minimal staff to develop the Business. As the Company expands its activities, it is probable that it will hire additional employees. The Company has committed to the engagement of an additional two consultants upon completion of the Offering to manage and grow the branding/marketing portion of the Business. The majority of the Company's employees and consultants will be located in California.

Foreign Operations

The Company's operations will initially be focused and dependent entirely upon, its operations in the State of California. The Company may expand the Business to other states which have legalized cannabis either medically or recreationally at the discretion of the Board.

The Company's Business is a marijuana-related business. In the United States, cannabis is a Schedule I drug under the CSA which means it is federally illegal to cultivate, manufacture, transport, distribute or sell cannabis or cannabis-related products. In addition, under U.S. federal law depositing any proceeds from sales in a financial institute may potentially be a violation of federal money laundering statutes.

Twenty-nine states and Washington D.C. have legalized medical marijuana, while eight states, including California, and Washington, D.C. have also legalized recreational marijuana. As a result, there is incongruence between the U.S. federal and state legal regimes which regulate the marijuana/cannabis industry.

For a description of the regulatory environment to which the Company is subject, please see "*Regulatory Overview*" below.

Lending

The Company does not currently hold any equity investments or owe any material long term liabilities. The Company has made two small short-term unsecured loans to certain of its branding clients in the aggregate amount of US\$87,532. US\$54,532 of the loans has an effective rate of interest of 10.47% and matures on October 31, 2018 and US\$33,000 of the loans has an effective rate of interest of 10.52% and matures on July 13, 2018. The Company has not adopted any specific policies or restrictions regarding investments or lending, but will ensure any investment or debt activities incurred are in the best interests of the Company and its shareholders. The Company expects that it will need to raise additional capital in the immediate future in order to maintain and develop the Business. The Company anticipates raising such additional capital by the sale of additional equity.

Bankruptcy and Similar Procedures

There are no bankruptcies, receivership or similar proceedings against the Company, nor is the Company aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceedings by the Company since its incorporation.

Reorganization or Restructuring

The Company has not completed any reorganizations or restructuring transactions since its incorporation.

Social or Environmental Policies

The Company has not adopted any specific social or environmental policies that are fundamental to its operations (such as policies regarding its relationship with the environment, with the communities in the vicinity of its operations or human rights policies). However, the Company's management, with the assistance of its contractors and advisors, ensures its ongoing compliance with local environmental laws in the jurisdictions in which it does business.

Significant Acquisitions and Dispositions

The Company has not completed any significant acquisitions or dispositions since incorporation.

Trends

The Company operates in the cannabis industry in the United States, which is dependent on state laws and regulations pertaining to such industry; however, under U.S. federal law, cannabis remains illegal. On January 4, 2018, the U.S. Attorney General, Jeff Sessions, issued a written memorandum (the “Sessions Memo”) to all U.S. attorneys rescinding previous federal enforcement guidelines stating, “prosecutors should follow the well-established principles that govern all federal prosecutions,” which require “federal prosecutors deciding which cases to prosecute”. It is unclear at this time whether the Sessions Memo indicates that the Trump administration will strongly enforce the federal laws applicable to cannabis or what types of activities will be targeted for enforcement. However, a significant change in the federal government’s enforcement policy with respect to current federal laws applicable to cannabis could cause significant financial damage to the Company. See “*Regulatory Overview*” below.

The most significant trends and uncertainties which management expects could impact its business and financial condition are (i) the changing legal and regulatory regime regulating the production and sale of cannabis and cannabis-related products; (ii) the ability of companies receiving funds from the sale of cannabis and cannabis-related products to legally transfer such funds; and (iii) the ability of companies to raise adequate capital to carry out their business objectives. See “*Risk Factors – Risks Related to the Business of the Company*” below.

REGULATORY OVERVIEW

General

On October 16, 2017, as amended February 8, 2018, the Canadian Securities Administrators published Staff Notice 51-352 (Revised) – *Issuers with U.S. Marijuana-Related Activities* (“Staff Notice 51-352”), which provides specific disclosure expectations for issuers that currently have, or are in the process of developing, cannabis-related activities in the United States as permitted within a particular state’s regulatory framework. All issuers with United States cannabis-related activities are expected to clearly and prominently disclose certain prescribed information in prospectus filings and other required disclosure documents.

In accordance with Staff Notice 51-352, the Company will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented, amended and communicated to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding marijuana regulation.

The Company plans to pursue opportunities, indirectly through TCMI and GF for the branding, marketing, transportation, distribution and fulfillment of cannabis and cannabis-related products in the United States, and as such will have exposure to U.S. cannabis-related activities. As such, management has undertaken a detailed review of the legality of its operations in the United States. All of the Company’s operations will be conducted through its subsidiaries, being TCMI and GF, which are wholly-owned and are reflected in the Company’s consolidated financial statements. The Company’s subsidiaries are not directly engaged in the manufacture of cannabis products.

For the purposes of Staff Notice 51-352, TCMI’s proposed management of transportation and distribution services constitute “direct” involvement in the U.S. cannabis industry, while GF’s

proposed branding and marketing services constitute “ancillary” involvement. To date, the operations of TCMI and GF have been funded through intercompany loans from the Company.

The following table is a summary of the Company’s balance sheet exposure to U.S. cannabis-related activities as at April 30, 2018:

	Operating Subsidiaries	No exposure	Total
Current Assets	14,120	447,595	461,715
Non- Current Assets	Nil	96,202	96,202
Total Assets	14,120	543,797	557,917
Current Liabilities	16,605	42,608	59,213
Non-Current Liabilities	Nil	Nil	Nil
Total Liabilities	16,605	40,608	59,213

The following is a summary of operating losses from U.S. cannabis-related activities for the period from incorporation on October 26, 2017 and ended April 30, 2018 (the Company has not yet commenced generating revenues):

	Operating Subsidiaries	No exposure	Total
Revenues	Nil	Nil	Nil
Operating Expenses	12,898	514,269	527,167
Net Loss	12,898	514,398	527,296

The operating expenses above include expenses directly incurred by U.S. subsidiaries. These operating expenses do not include any allocation of costs incurred at the Canadian head office. They also exclude any share-based compensation. During the period from incorporation to April 30, 2018, the Company had not commenced providing services in the U.S. cannabis sector.

The following represents the portion of certain assets on the Company’s consolidated balance sheet that pertain to the U.S. cannabis sector as at April 30, 2018:

Balance Sheet Line Item	Percentage which relates to U.S. marijuana related activities
Cash	0%
Amounts Receivables	0%
Advances Receivable	0%
Prepaid Expenses	0%

Balance Sheet Line Item	Percentage which relates to U.S. marijuana related activities
Computer hardware	100%
Software license agreement	100%

The Company has looked at all of its holdings that are based in the United States and given that none of these holdings have any Canadian operating activity, the Company's full investment in such entities is included in its assets.

Readers are cautioned that the foregoing financial information, though extracted from the Company's financial systems supporting its audited financial statements, has not been audited in its presentation format and accordingly is not in compliance with IFRS consolidation principles.

The Company regularly consults with its United States legal counsel to confirm that TCMI, GF and TCMD are operating in accordance with California state law and to discuss the potential exposure of the Company under U.S. federal laws but has not obtained a formal legal opinion confirming the Company's compliance with state laws.

U.S. Federal Law Overview

As of the date of this prospectus, 29 states, the District of Columbia and the territories of Guam and Puerto Rico have legalized medical marijuana, while nine states and District of Columbia have legalized recreational marijuana. At the federal level, however, cannabis currently remains a Schedule I controlled substance under the CSA. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, has no accepted medical use in the United States, and there is a lack of accepted safety for the use of the drug under medical supervision. As such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use, or distribution of cannabis, remain illegal under United States federal law.

Although federally illegal, the U.S. federal government's approach to enforcement of such laws trended toward non-enforcement until recently. On August 29, 2013, the U.S. Department of Justice ("DOJ"), issued a memorandum known as the "Cole Memorandum" to all U.S. Attorneys' offices (federal prosecutors). The Cole Memorandum generally directed U.S. Attorneys not to prioritize the enforcement of federal marijuana laws against individuals and businesses that rigorously comply with state regulatory provisions in states with strictly regulated medical cannabis programs. While not legally binding, and constituting mere guidance for prosecutors, the Cole Memorandum laid a framework for managing the tension between state and federal laws concerning state-regulated marijuana businesses.

On January 4, 2018 the Cole Memorandum was revoked by Attorney General Jeff Sessions, a long-time opponent of cannabis legalization. The revocation removed the DOJ's prior guidance to U.S. Attorneys that state-regulated cannabis industries substantively in compliance with state law should not be a prosecutorial priority. The effect of the revocation was to increase the number of factors for consideration by U.S. Attorneys prior to enforcement.

In addition to his revocation of the Cole Memorandum, Attorney General Sessions also issued a one-page memorandum known as the "Sessions Memorandum." The Sessions Memorandum

confirmed the rescission of the Cole Memorandum and explained the rationale of the DOJ in doing so: the Cole Memorandum, according to the Sessions Memorandum, was “unnecessary” due to existing general enforcement guidance adopted in the 1980s, as set forth in the U.S. Attorney’s Manual (the “USAM”). The USAM enforcement priorities, like those of the Cole Memorandum, are also based on the federal government’s limited resources, and include “law enforcement priorities set by the Attorney General,” the “seriousness” of the alleged crimes, the “deterrent effect of criminal prosecution,” and “the cumulative impact of particular crimes on the community.”

While the Sessions Memorandum emphasizes that marijuana is a Schedule I controlled substance, and reiterates the statutory view that cannabis is a “dangerous drug and that marijuana activity is a serious crime,” it does not otherwise indicate that the prosecution of marijuana-related offenses is now a DOJ priority. Furthermore, the Sessions Memorandum explicitly describes itself as a guide to prosecutorial discretion. Such discretion is firmly in the hands of U.S. Attorneys in deciding whether or not to prosecute marijuana-related offenses.

It is too soon to determine what prosecutorial effects will be created by the rescission of the Cole Memorandum. While initial fears of a nationwide “crackdown” have not yet materialized, considerable uncertainty remains.

Regardless, marijuana remains a Schedule I controlled substance at the federal level, and neither the Cole Memorandum nor its rescission has altered that fact. The federal government of the United States has always reserved the right to enforce federal law in regard to the sale and disbursement of medical or recreational marijuana, even if state law sanctioned such sale and disbursement. From a purely legal perspective, the criminal risk today remains identical to the risk on January 3, 2018. It remains unclear whether the risk of enforcement has been altered.

Enforcement of U.S. Federal Laws

For the reasons set forth above, the Company’s existing investments in the United States, and any future investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not lead to the imposition of certain restrictions on the Company’s ability to invest in the United States or any other jurisdiction. See “*Risk Factors – Risks Related to the Business of the Company*”.

Government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, the United States or elsewhere. A negative shift in the public’s perception of medical cannabis in the United States or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause state jurisdictions to abandon initiatives or proposals to legalize medical cannabis, thereby limiting the number of new state jurisdictions into which the Company could expand. Any inability to fully implement the Company’s expansion strategy may have a material adverse effect on the Company’s business, financial condition and results of operations. See “*Risk Factors - Risks Related to the Business of the Company*”.

Further, violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a

material adverse effect on the Company, including its reputation and ability to conduct business, its holding (directly or indirectly) of medical cannabis licenses in the United States, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Company to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial. See “*Risk Factors– Risks Related to the Business of the Company*”.

United States v. McIntosh

Under the U.S. Ninth Circuit’s Holding in *United States v. McIntosh* (9th Cir. 2016) (“McIntosh”), the DOJ is prohibited from spending federal funds to prosecute individuals whose conduct is permitted by and complies with state medical cannabis laws.

In McIntosh, the defendants faced federal indictments under the CSA due to their involvement in medical cannabis cultivation, manufacturing, and dispensing. The defendants challenged their indictments on the basis that such prosecution violated the Rohrabacher-Blumenauer Amendment, which amended the omnibus appropriations bill enacted by Congress in December 2014 (the “RBA”). The RBA states in part:

“None of the funds made available in this Act to the Department of Justice may be used with respect to the States of . . . California, . . . to prevent such States from implementing their own State laws that authorize the use, distribution, possession, or cultivation of medical marijuana.”

The Ninth Circuit, in deciding whether the prosecutions of the defendant violated the RBA, focused on the plain meaning of the specific text, specifically, “prevent such states from implementing their own State laws that authorize the use, distribution, possession, or cultivation of medical marijuana.” The Ninth Court rejected the DOJ’s argument that prosecuting private individuals does not prevent the medical cannabis “States from implementing their own [medical cannabis laws].” In an important and telling passage, the Court stated: “By officially permitting certain conduct, state law provides for non-prosecution of individuals who engage in such conduct. If the federal government prosecutes such individuals, it has prevented the state from giving practical effect to its law providing for non-prosecution of individuals who engage in the permitted conduct.”

Thus, the Ninth Circuit concluded that, at a minimum, the RBA prohibits the DOJ from spending federal funds for the prosecution of individuals who engaged in medical commercial cannabis activity permitted by the state’s medical cannabis laws and fully complied with those medical cannabis laws.

While the Ninth Circuit’s holding is limited in geographic scope, the Company’s California operations fall under the jurisdiction of the Ninth Circuit where the McIntosh case is legal precedent. The Company’s planned operations comply with MAUCRSA, and pursuant to the ruling in McIntosh, the Company believes it can assert the ruling as a defense against any federal prosecution.

Extension of the RBA

In its McIntosh ruling, the Ninth Circuit recognized the temporal nature of the RBA. Because it is part of an omnibus bill and is a budget rider, it must be renewed by Congress each year to remain in effect. This makes its longevity a political issue. The Ninth Circuit did indicate that this temporary lack of funding could become a more permanent lack of funds if Congress continues to include the same rider in future appropriations bills.

On July 27, 2017, the Senate Appropriations Committee approved the rider by a voice vote, indicating that it was not controversial among the panel's members. The Committee includes 16 Republicans and rejected a recent personal plea by Attorney General Jeff Sessions to let the amendment lapse.

The political atmosphere appears to favor the continuing extension of the RBA for future spending bills, though of course no assurance can be given in this regard. On March 22, 2018, Congress chose to maintain the status quo and both chambers voted to approve a bill extending the RBA until September 30, 2018. Further, the Congressional Cannabis Caucus, a bipartisan coalition organized to promote reform in the legal cannabis industry, is advocating for the continual extension of the RBA. Two key bills are pending in Congress that would legalize cannabis at the federal level: Legislative actions in this area include the Marijuana Justice Act, which is co-sponsored by Sens. Cory Booker (D-NJ), Kirsten Gillibrand (D-NY), and Ron Wyden (D-OR); and the Small Business Tax Equity Act from Sen. Cory Gardner (R-CO). No action has been taken on any of these bills, and there can be no certainty whatsoever that Congressional action will occur.

Ability to Access Public and Private Capital

Additionally, under U.S. federal law it may be a violation of federal money laundering statutes for financial institutions to accept any proceeds from cannabis sales or any other Schedule I substance. Canadian banks are also hesitant to deal with cannabis companies, due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions could be prosecuted for, and possibly convicted of, money laundering for providing services to cannabis businesses. Under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering or conspiracy. Despite these laws, the U.S. Department of the Treasury issued a memorandum in February of 2014 (the "FinCEN Memorandum") outlining the pathways for financial institutions to bank state-sanctioned marijuana businesses. Under these guidelines, financial institutions must submit a "suspicious activity report" ("SAR") as required by federal money laundering laws. These marijuana related SARs are divided into three categories: marijuana limited, marijuana priority, and marijuana terminated, based on the financial institution's belief that the marijuana business follows state law, is operating out of compliance with state law, or where the banking relationship has been terminated.

On the same day the FinCEN Memorandum was published, the DOJ issued a memorandum (the "2014 Cole Memo") directing prosecutors to apply the enforcement priorities of the Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of marijuana-related conduct. The 2014 Cole Memo has been rescinded as of January 4, 2018, along with the Cole Memorandum, removing guidance that enforcement of applicable financial crimes was not a DOJ priority.

However, Attorney General Sessions' revocation of the Cole Memorandum and the 2014 Cole Memo has not affected the status of the FinCEN Memorandum, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself. Though it was originally intended for the 2014 Cole Memo and the FinCEN Memorandum to work in tandem, the FinCEN Memorandum can act as a standalone document which explicitly lists the eight enforcement priorities originally cited in the Cole Memorandum. As such, the FinCEN Memorandum remains intact.

Currently, management expects to be able to transfer any funds owed to the Company by its subsidiaries into bank accounts held by the Company outside of the United States. However, given the regulatory uncertainty with respect to banking and cannabis in the United States, such ability to transfer may be eliminated and/or hampered at any time. In the foreseeable future, the Company expects any amounts payable by the Company from its subsidiaries to remain in the United States to fund the further development of the Business. The Company may also consider future debt or equity financings.

The Company has historically had and continues to have, access to equity and debt financing from the prospectus-exempt (private placement) markets in Canada. Since the Company's incorporation it has issued 12,027,473 Shares and units for gross proceeds of \$1,231,000 through prospectus-exempt private placements. There are increasing numbers of high net worth individuals that have made meaningful investments in companies and projects similar to the Company and its projects. Although there has been an increase in the amount of private financing available over the last several years, there is neither a broad nor a deep pool of institutional capital that is available to cannabis license holders and license applicants. There can be no assurance that additional financing, if raised privately, will be available to the Company when needed or on terms which are acceptable. The Company's inability to complete financings to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability. See "*Risk Factors – Risks Related to the Business of the Company*".

California State-Level Overview

The following sections present an overview of market and regulatory conditions for the marijuana industry in California. Although the Company's activities are compliant with applicable state and local law, strict compliance with state and local laws with respect to cannabis may not absolve the Company of liability under United States federal law, and may not provide a defense to any federal proceeding which may be brought against the Company.

In 1996, California voters passed a medical marijuana law allowing physicians to recommend cannabis for an inclusive set of qualifying conditions including chronic pain. The law established a not-for-profit patient/caregiver system but there was no state licensing authority to oversee the businesses that emerged as a result of the system. In September of 2015, the California legislature passed three bills, collectively known as the "*Medical Marijuana Regulation and Safety Act*" ("MCRSA"). In 2016, California voters passed "*The Adult Use of Marijuana Act*" ("AUMA"), which legalized adult-use cannabis for adults 21 years of age and older and created a licensing system for commercial cannabis businesses. On June 27, 2017, Governor Brown signed SB-94 into law. SB-94 combines California's medicinal and adult-use cannabis regulatory frameworks into one licensing structure under the "*Medicinal and Adult-Use of Cannabis Regulation and Safety Act*" ("MAUCRSA"). As such, California has created a comprehensive regulatory framework that addresses the DOJ's priorities and governs commercial cannabis activity the same, regardless of whether it is medicinal or recreational cannabis activity.

Pursuant to MAUCRSA: (1) the California Department of Food and Agriculture, via CalCannabis, issues licenses to cannabis cultivators; (2) the California Department of Public Health, via the Manufactured Cannabis Safety Branch (the “MCSB”), issues licenses to cannabis manufacturers and (3) the California Department of Consumer Affairs, via the Bureau of Cannabis Control (the “BCC”), issues licenses to cannabis distributors, testing laboratories, retailers, and micro-businesses. These agencies also oversee the various aspects of implementing and maintaining California’s cannabis landscape, including the statewide track and trace system. All three agencies released their emergency rulemakings at the end of 2017 and began issuing licenses on January 1, 2018.

To operate legally under state law, cannabis operators must obtain both local approval and a state license. Local authorization is a prerequisite to obtaining state licensure, and local governments are permitted to prohibit or otherwise regulate the types and number of cannabis businesses allowed in their locality. The state license approval process is not competitive and there is no limit on the number of state licenses an entity may hold. Although vertical integration across multiple license types is allowed under MAUCRSA, testing laboratory licensees may not hold any other licenses aside from a laboratory license. There are also no residency requirements for ownership under MAUCRSA.

The Company is involved in the distribution of cannabis in California as a result of the operations of TCMI and indirectly involved in the cannabis industry through GF. TCMI and GF confirm that their business is conducted in compliance with the regulatory framework enacted by the State of California and MAUCRSA. TCMI, TCMD and GF are in compliance with all applicable California and local laws, regulations, and guidelines.

California has implemented a robust regulatory system designed to ensure, monitor, and enforce compliance with all aspects of a cannabis operator’s licensed operations. Compliance with local law is a prerequisite to obtaining and maintaining state licensure, and all three state regulatory agencies require confirmation from the locality that the operator is operating in compliance with local requirements and was granted authorization to continue or commence commercial cannabis operations within the locality’s jurisdiction.

Under California state law, all state licensed cannabis businesses are entitled to rely on certain transition provisions until June 30, 2018. These provisions are intended to ease the transition of businesses into the new regulatory regime introduced on January 1, 2018 in California. The provisions grandfather the sale of certain products compliantly produced prior to January 1, 2018, and, among other things, allow state licensees to transact with other state licensees regardless of the parties’ adult-use (A) or medical (M) license until July 1, 2018. The state license approval process is not competitive, and localities are accepting licenses based on timelines within their individual ordinances. Localities may prohibit medical or adult-use marijuana business or limit the number of licenses offered in their jurisdiction. The City of Adelanto does not currently permit adult-use marijuana businesses; however, that restriction ends on June 22, 2018.

Licensing Requirements

Below is an overview of some of the principal license types issued in California (each of which can be issued with a Medical (M-Class) or Adult-Use (A-Class) designation):

- Types 1 through 5: various cultivation licenses.

- Type 6: authorized to manufacture cannabis products using mechanical or non-volatile solvent extraction methods.
- Type 7: authorized to manufacture cannabis products using volatile solvent extraction methods.
- Type N: authorized to manufacture cannabis products (other than extracts or concentrates) using infusion processes, but does not permit extraction.
- Type P: authorized to only package or repackage cannabis products or relabel the cannabis product container.
- Type 8: authorized to test the chemical composition of cannabis and cannabis products.
- Type 9: authorized to conduct retail cannabis sales exclusively by delivery.
- Type 10: authorized to sell cannabis goods to customers.
- Type 11: authorized to transport and store cannabis goods purchased from other licensed entities, and sell them to licensed retailers, and is responsible for laboratory testing and quality assurance to ensure packaging and labeling compliance.

MAUCRSA authorizes issuance of licenses for medical (M) or adult-use (A) to the same person, but each license is distinct and neither license permits both medical and adult use. The same person may hold both an (M) or (A) license, provided the licensed premises are separate and distinct. The Board of Cannabis Control modified its emergency regulations, effective June 6, 2018, to provide for a “combined” (M) and (A) license. To the extent that the new regulations are inconsistent or conflict with MAUCRSA, the new emergency regulations may be invalid or ineffective.

Distribution Requirements

As noted above, only licensed distributors may transport cannabis and only licensed distributors can coordinate the required third-party testing of cannabis products, as well as quality assurance and labelling compliance. Distributors are also required to collect and remit cultivation and excise taxes to the California Department of Tax and Fee Administration. TCMI has applied for a Type 11 license.

In addition to the Type 11 license, distributors must also have a seller’s permit issued by the California Department of Tax and Fee Administration as well motor carrier permits. Distributors must have transport vehicles with alarm systems and may not transport medicinal and adult-use cannabis goods together unless they are clearly identified. Shipping manifests must be generated prior to transport. No persons under 21 may be present in the transport vehicles and only licensed employees may be in the transport vehicles. Cannabis goods must not be visible or identifiable during transport, must only be transported by vehicle, and must be in a secured locked box within the interior of the vehicle.

Cannabis may only be stored on licensed premises, which for the Company will initially be the Distribution Facility. Distributors must ensure (1) that cannabis goods are properly stored, handled, packaged and tested, (2) that they keep and maintain records adequate to effectively track and trace the cannabis goods, which for the Company will be completed through the use of

the Track and Trace Intellectual Property and the State-mandated software and (3) cannabis goods are transported in a safe and secure manner.

Distributors must carry and maintain commercial general liability insurance in the aggregate amount of not less than US\$2.0 million and not less than US\$1.0 million for each loss.

Zoning and Land Use Requirements

Applicants are required to comply with all local zoning and land use requirements and provide written authorization from the property owner where the commercial cannabis operations will be conducted. That authorization must clearly state that the applicant has the property owner's authorization to engage in the specific state-sanctioned commercial cannabis activities planned for the premises.

Local permits are not available in all municipalities. To date, a relatively small number of municipalities in California have adopted ordinances permitting cannabis cultivation, manufacture and distribution, including the City of Adelanto, which has issued the CUP to TCMD.

Record-Keeping and Continuous Reporting Requirements

California's state license application process additionally requires comprehensive criminal history, regulatory history, financial and personal disclosures, coupled with stringent monitoring and continuous reporting requirements designed to ensure only good actors are granted licenses and that licensees continue to operate in compliance with the State regulatory program.

Operating Procedure Requirements

Applicants must submit standard operating procedures describing how the operator will, among other requirements, secure the facility, manage inventory, comply with the State's seed-to-sale tracking requirements, dispense cannabis, and handle waste, as applicable to the proposed licensed activities. Once the standard operating procedures are determined compliant and approved by the applicable state regulatory agency, the licensee is required to abide by the processes described and seek regulatory agency approval before any changes to such procedures may be made. Licensees are additionally required to train their employees on compliant operations and are only permitted to transact cannabis-related business with other licensed businesses.

Site-Visits & Inspections

Applicants for licensing in the California cannabis industry are unable to obtain or maintain state licensure, and engage in commercial cannabis activities in the state of California without satisfying and maintaining compliance with state and local law. As a condition of state licensure, operators must consent to random and unannounced inspections of the commercial cannabis facility as well as the facility's books and records to monitor and enforce compliance with state law. Many municipalities have enacted similar standards for inspections, and the state has already commenced site-visits and compliance inspections for operators who have applied for or received state temporary or annual licenses.

Regulations Regarding Advertising

The State of California has imposed stringent laws regarding the advertising and marketing of cannabis products. Advertising and marketing includes any written or verbal statement, illustration or depiction intended to induce the purchase and sale of cannabis products. Any advertising or marketing placed in broadcast, cable, radio, print and digital communication may only be communicated or displayed where at least 71.6% of the audience is reasonably expected to be 21 years of age or older, as determined by reliable, up to date audience composition data. Advertising is not permitted on billboards or similar advertising devices located on state or interstate highways. Advertising must not be conducted in a manner encouraging persons under the age of 21 to consume cannabis or cannabis-related products and must not contain symbols, language, music, gestures, cartoon characters or other content elements known to appeal primarily to persons below the legal age of consumption. No advertising or marketing signs may be within 1,000 feet of a day care center, a school providing K-12 instruction, playgrounds or youth centers. Licensed Operators may not give away cannabis products as part of any business promotion or commercial activity, including sampling. Licensed Operators are prohibited from making any statements related to health that expressly or by implication suggest a relationship between the consumption of cannabis or cannabis-related products and health benefits which are untrue in any manner or create a misleading impression as to the effects on health of cannabis use. Any health-related statements must be supported by the totality of publicly available scientific evidence and for which there is significant scientific agreement.

California law specifically states that marijuana advertising and marketing restrictions do not apply to editorials, such as news releases, in any periodical or publication or newspaper for the publication of which no money or valuable consideration is paid or promised, directly or indirectly, by any licensee, and which is not written by or at the direction of the licensee.

As cannabis remains illegal under federal laws, it is possible that the advertisement of cannabis or cannabis products is also illegal under federal laws. To date, the United States federal government has not prosecuted anyone for publishing cannabis advertisements in states where cannabis is legal. However, it is a felony under the CSA, punishable by up to four years in prison to “place in any newspaper, magazine, handbill or other publications, any written advertisement knowing that it has the purpose of seeking or offering illegally to receive, buy or distribute a Schedule I controlled substance”.

As a result of these restrictions, the Company’s proposed marketing business to be conducted through GF will need to come up with creative marketing ideas to be compliant with California state law and may continue to be viewed as illegal under United States federal laws.

Compliance with California State Law

The Company, through its subsidiaries, will ensure compliance with California state licensing requirements.

In respect of TCMI, which as noted above will have “direct” involvement in the distribution of cannabis, TCMI will manage the operations of TCMD, which will operate as follows: (1) TCMD will, prior to commencement of operations, be licensed pursuant to the laws of the State of California and permitted pursuant to the Adelanto Municipal Code; (2) renewal dates for TCMD’s licenses are docketed by legal counsel and/or other advisors; (3) internal audits of TCMD’s business activities will be conducted by the applicable state regulator to ensure

compliance with applicable state law; (4) employees will be provided with an employee handbook that outlines internal standard operating procedures in connection the distribution of cannabis; (5) each room that cannabis inventory and/or proceeds from the sale of such inventory will be continuously monitored by video surveillance; and (6) the Track and Trace Intellectual Property is used to track marijuana inventory from seed to sale. TCMD has not yet commenced activities in the distribution of cannabis and as a result is currently not required to be compliant with applicable regulatory requirements.

To the best of the Company's knowledge, GF, which has "indirect" involvement on the distribution of cannabis, is in compliance with the regulatory framework in California and the Company is not aware of any non-compliance with California's licensing requirements or state laws.

Neither TCMI, TCMD nor GF have received any notices of violation with respect to the Business by any applicable regulatory authority.

The Company's United States legal counsel reviews, from time to time, the licenses and documents referenced above in order to confirm such information and identify any deficiencies.

Aside from complying with the laws of the State of California, TCMI, TCMD and GF will also take the steps necessary to ensure their operations are conducted in a manner consistent with the Cole Memorandum, notwithstanding its rescission. The Company's United States legal counsel will review, from time to time, TCMI's, TCMD's and GF's procedures in order to confirm that their operations are conducted in a manner consistent with applicable state and local. Despite the rescission of the Cole Memorandum, the U.S. Department of Justice continues to have discretion to enforce federal drug laws, which discretion remained when the Cole Memorandum was originally issued in 2013.

In addition, the Company, along with its United States legal counsel and other professional advisors, regularly monitor the activities of the Trump Administration for evidence and/or indications of current or anticipated cannabis policy and guidance, and the Company governs its actions accordingly.

USE OF PROCEEDS

Proceeds and Funds Available

The Company expects to receive a minimum of \$1,200,000 and up to a maximum of \$1,500,000 in gross proceeds from the Offering. The funds expected to be available to the Company upon completion of the Offering and the expected principal purposes for which such funds will be used are described below. The completion of the Offering is subject to the Minimum Offering being achieved.

Funds Available

	Minimum Offering	Maximum Offering
Gross proceeds of the Offering ⁽¹⁾	\$1,200,000	\$1,500,000
Less: Agent's Commissions and Corporate Finance Fee	\$122,250	\$146,250
Net Proceeds of the Offering ⁽¹⁾	\$1,077,750	\$1,352,750
Working Capital ⁽²⁾⁽³⁾	\$115,000	\$115,000
Net Funds Available ⁽⁴⁾	\$1,192,750	\$1,468,750

(1) After deduction of the Agent's Commission and Corporate Finance Fee, but before deducting the other expenses of the Offering

(2) At May 31, 2018, the Company had an approximate working capital of \$115,000 raised through prior issuances of securities. See "Prior Sales".

(3) Any funds received as a result of the exercise of the Agent's Warrants or stock options granted to the Company's directors, officers, employees and consultants will be added to the Company's general working capital.

If the Over-Allotment Option is exercised in full, the Company will receive additional net proceeds of \$165,600 in the case of the Minimum Offering and \$207,000 in the case of the Maximum Offering, after deducting the Agent's Commission, if paid in cash, but before deducting the other expenses of the Offering.

Principal Purposes

The following table indicates the principal uses to which the Company proposes to use the net funds available:

	Minimum Offering	Maximum Offering
Balance of estimated expenses of the Offering ⁽¹⁾	\$128,575	\$128,575
Vehicle acquisition and maintenance	Nil	\$100,000
Payments due pursuant to Assignment Agreement	\$182,000	\$182,000
General and Administrative Expenses ⁽²⁾⁽³⁾	<u>\$882,000</u>	<u>\$1,001,000</u>
Unallocated Working Capital ⁽⁴⁾	<u>\$175</u>	<u>\$57,175</u>
Net Funds Available	<u>\$1,192,750</u>	<u>\$1,468,750</u>

- (1) The balance of the expenses of the Offering are legal fees, audit fees and filing fees with the Exchange and Securities Commissions as well as the expenses of the Agent, less a \$10,000 retainer paid by the Company to the Agent.
- (2) General and administrative costs for the next 12 months are expected to comprise: legal fees of \$30,000, audit and accounting fees of \$102,000, filing fees and transfer agent costs of \$6,000, executive fees and directors fees of \$144,000 (See "*Executive Compensation*") labour and employment costs of \$545,000 (including consulting fees payable), marketing and investor relations costs of \$79,000 (in the event of the Maximum Offering only) and miscellaneous administrative costs of between \$55,000 and \$95,000 (comprising equipment, office, travel and other miscellaneous costs).
- (3) Unallocated funds will be added to the working capital of the Company and invested in short-term interest-bearing obligations.

Should the Over-Allotment Option be exercised in whole or in part, the net proceeds from such exercise, if any, are expected to be used for general corporate and working capital expenses.

The Company intends to spend the net funds available to it as stated in this Prospectus. However, there may be situations where, after giving consideration to strategies relative to the market, development and changes in the industry and regulatory landscape, as well as other conditions relevant at the applicable time, a reallocation of funds is necessary in order for the Company to achieve its overall business objectives. If such a change occurs during distribution of the securities offered under this Prospectus, the Company may have broad discretion in the application of such net proceeds and, if required, an amendment to this Prospectus will be filed. Pending utilization of the net proceeds derived from the Offering, the Company intends to invest the funds in short-term, interest bearing obligations at the determination of the Company's Chief Financial Officer. Unallocated funds will be added to the working capital of the Company.

Negative Operating Cash Flow

Since inception, the Company has had negative operating cash flow and incurred losses. The Company's negative operating cash flow and losses are expected to continue for the foreseeable future. The Company cannot predict when it will reach positive operating cash flow, if ever. Due to the expected continuation of negative operating cash flow, the Company anticipates that the net proceeds from the Offering will be used to fund future negative operating cash flow.

Stated Business Objectives and Milestones

The business objectives of the Company using the available funds are to: (a) obtain a listing of the Shares on the Exchange, (b) to fund the development of the Company's branding and marketing business with the addition of further employees or consultants and (c) to fund the development of the Company's transportation and distribution business through the acquisition of leased facilities and transportation vehicles. The listing of the Company on the Exchange is anticipated to occur shortly after completion of the Offering, subject to the Company fulfilling all of the requirements of the Exchange.

DIVIDENDS

The Company has neither declared nor paid any dividends on its Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its Shares in the foreseeable future. The payment of dividends on the Shares in the future is unlikely and will depend on the earnings and financial conditions of the Company and such other factors as the Board may consider appropriate. There are no restrictions

on the Company paying dividends or distributions, except those set out in the BCBCA. The Company's ability to pay dividends may be affected by U.S. state and federal regulations.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Selected Financial Information

The following table sets forth financial information for the Company, which has been derived from the Company's audited financial statements for the period from incorporation on October 26, 2017 to November 30, 2017 and for the five-month period from December 1, 2017 to April 30, 2018. This summary should be read in conjunction with the Company's financial statements, including the notes thereto, included elsewhere in this Prospectus.

Selected Financial Information	For the period from October 26, 2017 (date of incorporation) to November 30, 2017	For the five month period ended April 30, 2018
Operations Data		
Total Revenues	Nil	Nil
Total Expenses	\$191,359	\$335,808
Net Income (Loss)	(\$191,359)	\$(335,937)
Net Income (Loss) per Share – Basic and Fully Diluted	(\$0.97)	(\$0.04)
Balance Sheet Data		
	As at November 30, 2017	As at April 30, 2018
Current Assets	\$104,744	\$461,715
Other Assets	\$63,820	\$96,202
Total Assets	\$168,564	\$557,917
Current Liabilities	\$14,923	\$59,213
Working Capital	\$89,821	\$402,502
Other Liabilities	Nil	Nil
Total Liabilities	\$14,923	\$59,213
Capital Stock	\$210,000	\$786,000
Reserves	\$135,000	\$165,000
Deficit	(\$191,359)	(\$526,452)
Total Equity	\$153,641	\$498,704

Selected Financial Information	For the period from October 26, 2017 (date of incorporation) to November 30, 2017	For the five month period ended April 30, 2018
Number of Shares Issued and Outstanding	6,900,000	10,080,000

Management's Discussion and Analysis

The following discussion and analysis, prepared by management (the "MD&A"), reviews the Company's financial condition and results of operations for the period from incorporation on October 26, 2017 to April 30, 2018. This discussion provides management's analysis of the Company's historical financial and operating results and provides estimates of the Company's future financial and operating performance based on information that is currently available. This discussion contains forward-looking statements that involve certain risks and uncertainties. See also "*Forward-Looking Statements*" and "*Risk Factors*".

Overview

This MD&A is dated as of the date of this preliminary prospectus and presents the operations of the Company for the five month period from December 1, 2017 and ended April 30, 2018 as compared to the period from incorporation on October 26, 2017 and ended November 30, 2017. The following information should be read in conjunction with the Company's audited financial statements for the period from incorporation on October 26, 2017 to November 30, 2017 and for the five-month period from December 1, 2017 to April 30, 2018, together with the notes thereto, prepared by management in accordance with International Financial Reporting Standards and expressed in Canadian Dollars. This MD&A has been prepared by management and reviewed by the audit committee of the board. For the purposes of preparing this MD&A, management, in conjunction with the Board, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Company, unless specifically noted.

Cautionary Note Regarding Forward Looking Statements

Certain statements contained in the foregoing MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below.

Description of Business

The Company's principal business activity will be the management of transportation and distribution services in the state of California which includes, but is not limited, to transportation and distribution of cannabis related products. The Company's head office is located at 820 – 1130 West Pender Street, Vancouver, British Columbia, V6E 4A4, Canada.

On October 23, 2017 TCMI was incorporated in the State of California as a for profit entity. On November 15, 2017, the Company acquired a 100% ownership interest in TCMI. If needed, TCMI will borrow capital from the Company, as referenced in the revolving promissory note dated November 15, 2017 in the amount of up to One Million Dollars (\$1,000,000) to purchase transportation equipment and fund operations. On November 15, 2017, TCMI entered into the Management Agreement with TCMD. TCMD was formed to transport and distribute medical marijuana.

On November 15, 2017, the Company entered into the License Agreement with LDS. LDS is the owner of the Track and Trace Intellectual Property necessary to comply with California's Track & Trace regulations related to the growth and sale of cannabis and to interface with other software platforms. The Company paid LDS a royalty of Fifty Thousand Dollars US(\$63,820 CDN) for a five (5) year, non-exclusive use of the Track and Trace Intellectual Property.

On December 5, 2017, TCMD received from the City of Adelanto approval for a Medical Marijuana Transportation and Distribution Permit, being the CUP.

On March 29, 2018, GF was incorporated in the State of California as a for profit entity. On March 29, 2018 the Company acquired a 100% ownership interest in GF. If needed, GF will borrow capital from the Company, as referenced in the revolving promissory note dated May 2, 2018, in the amount of up to One Million Dollars (\$1,000,000) to fund operations, GF will manage the branding contracts acquired by GF and marketing for the brands acquired.

Selected Annual Information

The following discussion of the Company's financial performance is based on the consolidated interim financial statements for the five-month period ended April 30, 2018, and for the Period from October 26, 2017 (inception) to November 30, 2017, which were prepared in accordance with IFRS.

	Five months ending April 30, 2018	Period from October 26, 2017 (inception) to November 30, 2017
Working capital	\$ 402,502	\$ 89,821
Total assets	557,917	168,564
License	63,820	63,820
Total liabilities	59,213	14,923
Share capital and reserves	951,000	345,000
Deficit	(526,452)	(191,359)

Overall Performance

The statements of financial position as of April 30, 2018 indicated a cash position of \$185,893 (November 30, 2017 – \$80,600) and total current assets of \$461,715 (November 30, 2017 – \$104,744).

The long-term assets of the Company were represented by a software license with a life of five years valued at \$63,820 and computer hardware valued at \$32,382.

At April 30, 2018, current liabilities totaled \$59,213 (November 30, 2017 – \$14,923) and included \$59,213 in accounts payable and accrued liabilities (November 30, 2017 – \$8,818) and \$nil in amounts due to related parties (November 30, 2017 – \$6,105).

At April 30, 2018, the Company had a working capital of \$402,502 (November 30, 2017 – \$89,821). Management's short-term plans are to fund the Company's day-to-day operations through equity or, to a minor extent, debt financing. Once the management of delivery operations commences, the Company believes it will be able to generate sufficient revenue to fund its day-to-day operations as well as its overhead costs.

Shareholders' equity was comprised of share capital of \$786,000 (November 30, 2017 - \$210,000), reserves of \$165,000 (November 30, 2017 - \$135,000), subscription to shares of \$75,000 (November 30, 2017 – Nil), a deficit of \$526,452 (November 30, 2017 - \$191,359) and other comprehensive loss of \$844 (November 30, 2017 – Nil) for a net equity of \$498,704 (November 30, 2017 - \$153,641).

The weighted average number of common shares outstanding for five months ended April 30, 2018, was 8,445,298 (November 30, 2017 – \$197,000).

Comparison of Results of Operations

Net Loss

During the five months ended April 30, 2018, the Company reported a net loss of \$335,937 (\$0.04 basic and diluted loss per share). The largest items that contributed to the Company's net loss during the five months ended April 30, 2018, included management and legal fees, investor relations and advertising and promotion expenses.

During the period from October 26, 2017 (inception) to November 30, 2017, the Company reported a net loss of \$191,359 (\$0.97 basic and diluted loss per share). The loss during the period from October 26, 2017 (inception) to November 30, 2017, was mainly due to a non-cash charge for share-based compensation, legal fees, licensing fees and management fees.

Revenue

During the five months ended April 30, 2018, the Company did not earn any revenue.

During the period from October 26, 2017 (inception) to November 30, 2017, the Company did not earn any revenue.

Operating Expenses

During the five months ended April 30, 2018, the Company recorded operating expenses of \$335,808. The largest factors contributing to operating expenses were management fees of \$95,000, investor relation fees of \$63,098, legal fees of \$55,648 and advertising and promotion costs of \$49,622.

During the period from October 26, 2017 (inception) to November 30, 2017, the Company recorded operating expenses of \$191,359. The largest factors contributing to operating expenses were a non-cash charge for share-based compensation of \$135,000, legal fees of \$8,590, licensing fees of \$8,975 and management fees of \$19,500.

As the Company's current operations do not generate significant revenues, the Company will continue relying on equity and debt financing in order to meet its ongoing day-to-day operating requirements. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any particular time, or, if available, that it can be obtained on terms satisfactory to the Company.

Summary of Quarterly Results

The following tables set forth selected financial information of the Company for the eight most recently completed quarters. This information is derived from unaudited quarterly financial statements and audited annual financial statements prepared by management in accordance with IFRS during fiscal 2017.

	April 30, 2018	February 28, 2018	November 30, 2017
Revenue net of Cost	\$ –	\$ –	\$ –
Net Loss	\$ 223,932	\$ 111,161	\$ 191,359
Loss per Share	\$.02	\$.01	\$.97
Total Assets	\$ 557,917	\$ 325,213	\$ 168,564
Working Capital	\$ 402,502	\$ 27,544	\$ 89,821

During the two-months ended April 30, 2018, the Company did not record any revenue. Operating expenses totaled \$223,932 and included management fees of \$38,000, audit and accounting fees of \$8,566 and legal fees of \$40,457. In addition, we paid \$63,098 for investor relation activities and \$49,622 for advertising and promotion.

During the three months ended February 28, 2018, the Company did not record any revenue. Operating expenses totaled \$111,161 and included management fees of \$57,000, audit and accounting fees of \$19,200, legal fees of \$15,191 and consulting fees of \$9,000.

During the period from October 26, 2017 (inception) to November 30, 2017, the Company did not record any revenue. Operating expenses totaled \$191,359 and included share-based payments of \$135,000, management fees of \$19,500, legal fees of \$8,590 and licensing fees of \$8,975.

Liquidity and Capital Resources

As at April 30, 2018, the Company had \$185,893 in cash and cash equivalents, with working capital of \$402,052. The Company's share capital was \$786,000 representing 10,080,000 common shares issued, reserves of \$165,000 and \$75,000 received on account of subscriptions to

shares. As at April 30, 2018, the Company had accumulated a deficit of \$526,452 and other comprehensive loss of \$844.

As at November 30, 2017, the Company had \$80,600 in cash and cash equivalents, with the working capital of \$89,821. The Company's share capital was \$210,000 representing 6,900,000 common shares issued. As at November 30, 2017, the Company had accumulated a deficit of \$191,359.

The Company is dependent on the equity markets as its source of operating capital.

Until the Company is able to create revenue from the main business activities, the Company will have to continue to rely on equity and debt financing. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

Contractual Obligations

A summary of the Company's contractual obligations at April 30, 2018, is detailed in the table below.

	Payments Due by Period				
	Total	Less than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years
Accounts Payable	\$ 59,213	\$ 59,213	n/a	n/a	n/a
Accrued Liabilities	–	–	n/a	n/a	n/a
Amounts due to Related Parties	–	–	n/a	n/a	n/a
Total	\$ 59,213	\$ 59,213	n/a	n/a	n/a

A summary of the Company's contractual obligations at November 30, 2017, is detailed in the table below.

	Payments Due by Period				
	Total	Less than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years
Accounts Payable	\$ 8,818	\$ 8,818	n/a	n/a	n/a
Accrued Liabilities	–	–	n/a	n/a	n/a
Amounts due to Related Parties	6,105	6,105	n/a	n/a	n/a
Total	14,923	14,923	n/a	n/a	n/a

Management believes that the Company will be able to generate sufficient cash to meet its current obligations for the next twelve months.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

Related Party Transactions

		April 30, 2018	November 30, 2017
Management fees	a)	\$ 95,000	\$ 19,500
Accounting and administration fees	b)	\$ 15,000	\$ 6,363
Consulting fees	c)	\$ 15,000	Nil

- a) During the five months ended April 30, 2018, \$95,000 was paid or accrued to James Pakulis, the CEO and director of the Company, in management fees. Effective November 1, 2017, the Company entered into the Consulting Agreement with Mr. Pakulis for an initial term ending March 31, 2021 for \$19,000 CDN per month. Subsequent to the period ended April 30, 2018, the consulting fees were decreased to \$12,000 per month effective August 1, 2018. As compensation for this reduction, Mr. Pakulis was awarded 750,000 share purchase warrants exercisable at \$0.50 to be exercisable on achieving certain sales targets. The warrants are exercisable for a period of three years from the date the Company's shares are listed on a recognized stock exchange. 250,000 warrants can be exercised on achieving \$1,000,000 in sales; a further 250,000 warrants can be exercised on achieving \$2,000,000 in sales; and the final 250,000 warrants can be exercised on achieving \$3,000,000 in sales.
- b) During the five months ended April 30, 2018, the Company incurred \$15,000 in accounting and administration fees and \$15,000 in consulting fees paid or accrued to Da Costa Management Corp., a company controlled by a director of the Company.
- c) LDS was paid \$50,000 US (\$63,820 CDN) as a one-time payment for the software license. On May 2, 2018, the Company issued 1,028,077 common shares to LDS and on June 5, 2018 issued a further 54,396 common shares to LDS, in fulfillment of the Company's obligations pursuant to the License Agreement.

Related Party Payables:

	April 30, 2018	November 30, 2017
James Pakulis	\$ nil	\$ 5,946
Da Costa Management Co.	nil	159
Total payable to related parties	\$ nil	\$ 6,105

Significant Accounting Policies and Critical Accounting Estimates

All significant accounting policies and critical accounting estimates are fully disclosed in Note 3 of the audited consolidated financial statements for the period from October 26, 2017 (inception) to November 30, 2017 and the audited consolidated financial statements for the five months ended April 30, 2018.

Financial Instruments

Fair Values

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and due to related parties. The fair values of these financial instruments approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments:

	April 30, 2018	November 30, 2017
Fair value through profit or loss (i)	\$ 185,393	\$ 80,600
Loans and receivables (ii)	113,825	-
Other financial liabilities (iii)	59,213	14,923

(i) Cash

(ii) Amounts receivable

(iii) Accounts payable and accrued liabilities and amounts due to related parties

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

Level 3 – Inputs that are not based on observable market data

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3	Total
Cash	\$ 185,893	-	-	\$ 185,893

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity, interest rate and currency risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations would warrant such hedging activities.

Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instruments to hedge potential fluctuations in interest rates. The exposure to interest rate risk for the Company is considered minimal. The Company has no interest-bearing borrowings.

The Company considers its interest rate risk policies to be effective and has followed them consistently.

Price Risk

The Company is not exposed to commodity price risk as its current business operations do not depend on fluctuations in the market price of commodities.

Outstanding Share Data

As of the date of this report, the Company had the following securities issued and outstanding:

Type	Amount	Exercise Price	Expiry Date
Common shares⁽¹⁾	12,027,473	n/a	Issued and outstanding
Warrants	660,000	\$1.00	April 20, 2020
Warrants	315,000	\$1.00	May 1, 2020
Warrants	440,000	\$1.00	May 28, 2020
Warrants	110,000	\$1.00	June 4, 2020
Warrants	750,000	\$0.50	Three Years following the Listing Date
	14,302,473		Total shares outstanding (fully diluted)

⁽¹⁾ Authorized: Unlimited common shares without par value.

Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published and are fully disclosed in Note 3 of the audited consolidated financial statements for the period from October 26, 2017 (inception) to November 30, 2017 and in the audited consolidated financial statements for the five months ended April 30, 2018. Management is assessing the impact of these new standards on the Company's accounting policies and financial statement presentation.

Risks and Uncertainties

See "Risk Factors" below.

Contingencies

There are no contingent liabilities.

It is anticipated that the proceeds to be raised pursuant to the Offering will fund the Company's operations for a period of 12 months. The estimated total operating costs for the Company to achieve its stated business objectives over this period of time are \$1,283,964 in the event the Minimum Offering is completed and \$1,323,964 in the event the Maximum Offering is completed. The estimated total operating costs include vehicle acquisition and maintenance costs, payments due pursuant to the Assignment Agreement and between \$882,000 and \$1,001,000 for general and administrative costs. No other funds are projected to be expended on capital expenditures during this time period. See "*Use of Proceeds*".

DESCRIPTION OF SECURITIES DISTRIBUTED

Authorized and Issued Share Capital

The authorized capital of the Company consists of an unlimited number of Shares without par value. As at the date of this prospectus there are 12,027,473 Shares issued and outstanding as fully paid and non-assessable shares.

Units

Each Unit will comprise one Share and one Warrant. Each Warrant will entitle the holder to purchase, subject to adjustment in certain circumstances, one Warrant Share at a price of \$1.00 per Share for a period of 12 months following the Closing Date. The Units will separate into Shares and Warrants immediately upon issue.

Common Shares

There are no special rights or restrictions of any nature attached to the Shares. The holders of Shares are entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company and each Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Shares are entitled to receive dividends if, as and when declared by the directors and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Company. The Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

In addition to the Shares issued and outstanding, a further up to 5,912,000 Shares are reserved for issue as follows (assuming completion of the Minimum Offering):

	Minimum Offering	Maximum Offering
Warrant Shares ⁽¹⁾	2,400,000 ⁽²⁾	3,000,000 ⁽²⁾
Agent’s Warrant Shares ⁽³⁾	192,000 ⁽⁴⁾	240,000 ⁽⁴⁾
Shares issuable upon the exercise of previously issued share purchase warrants	2,275,000	2,275,000
Shares issuable upon the exercise of stock options granted to directors, officers, employees and consultants	1,100,000	1,100,000
Total	5,967,000	6,615,000

(1) To be issued upon exercise of the Warrants.

(2) In the event the Over-Allotment Option is exercised in full, a further 360,000 Warrants will be issued in the case of the Minimum Offering and a further 450,000 Warrants will be issued in the case of the Minimum Offering.

(3) To be issued upon exercise of the Agent’s Warrants.

(4) In the event the Over-Allotment Option is exercised in full, a further 28,800 Agent’s Warrants will be issued in the case of the Minimum Offering and a further 36,000 Agent’s Warrants will be issued in the case of the Maximum Offering. Additionally, pursuant to the Agency Agreement, the Agent has the right to elect to receive all or any portion of the Agent’s Commission through the issuance of Agent’s Units. Up to 276,000 Agent’s Units may be issuable in the event of the Maximum Offering, the exercise in full of the Over-Allotment Option and the payment of the Agent’s Commission entirely through the issuance of Agent’s Units.

See “*Plan of Distribution*” for further details of the Offering

Securities to be Distributed

An aggregate of a minimum of 2,400,000 Units and a maximum of 3,000,000 Units are hereby offered at a price of \$0.50 per Unit. The securities to be distributed pursuant to the Offering hereunder are qualified by this Prospectus and are more particularly described under the heading “*Plan of Distribution*”.

Warrants

The Company has previously issued share purchase warrants to acquire up to 2,275,000 Shares at exercise prices ranging from \$0.50 to \$1.00 per Share and expiring on dates ranging from April 20, 2020 to the date which is three years following the Listing Date. These share purchase warrants were issued to subscribers to equity offerings conducted by the Company, to registrants as finder’s fees payable in connection with such equity offerings and to the Company’s President and CEO pursuant to the Consulting Agreement. See “*Executive Compensation*” below.

Each whole Warrant issued pursuant to the Offering will entitle the holder thereof to purchase one Warrant Share, subject to adjustment in certain circumstances, at a price of \$1.00 per Warrant

Share, at any time at or prior to the close of business on the date that is 12 months from the Closing Date, at which time the Warrants will become null and void. The exercise price for the Warrants will be payable in Canadian dollars. In the event that the closing price of the Shares on the Exchange is greater than \$1.50 per Share for a period of 10 consecutive trading days after the Closing Date, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof and by issuing a press release, and in such case, the Warrants will expire on the date that is not less than 30 days from the date notice of such acceleration is provided to the holders of the Warrants pursuant to a written notice to Warrant holders and a news release issued by the Company.

The Warrants forming part of the Units will be issued pursuant to, and will be governed by, the Warrant Indenture to be entered into between the Company and the Warrant Agent as of the Closing Date. The Company will appoint the principal transfer offices of the Warrant Agent in Vancouver, British Columbia as the location at which the Warrants may be surrendered for exercise, transfer or exchange. The Warrant Indenture will, among other things, include provisions for the appropriate adjustment in the class, number and price of the Warrant Shares to be issued upon exercise of the Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Shares, the payment of stock dividends and the amalgamation of the Company.

No adjustment in the exercise price or the number of Warrant Shares purchasable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least 1% or the number of Warrant Shares purchasable upon exercise by at least one one-hundredth of a Warrant Share.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, the Company will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Any subscription for fractional Warrant Shares will be deemed to be a subscription for the next smallest whole number of Warrant Shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Shares would have.

From time to time, the Company and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture 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 Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either:

- passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 10% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than $66 \frac{2}{3}\%$ of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution; or

- adopted by an instrument in writing signed by the holders of Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants.

The foregoing is a summary only of the terms of the Warrants and is qualified by the more detailed provisions of the Warrant Indenture to be filed on SEDAR and a copy of which is available at the registered office of the Company.

The Warrants will not be exercisable in the United States or by or on behalf of a “U.S. Person”, nor will certificates representing the Warrant Shares, as applicable, issuable upon exercise of the Warrants be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available.

Agent’s Warrants

The Company is authorized to issue to the Agent’s Warrants entitling the Agent to acquire that number of Agent’s Warrant Shares as is equal to 8.0% of the number of Units sold pursuant to the Offering, including pursuant to the Over-Allotment Option. Each whole Agent’s Warrant entitles the holder thereof to subscribe for one Share at a price of \$1.00 until the date which is 12 from the Closing Date. The holding of an Agent’s Warrant will not constitute the holder thereof a shareholder of the Company, nor will it entitle the holder to any rights or interests as a shareholder or to receive notice of any meetings of shareholders except upon the exercise of an Agent’s Warrant in accordance with its terms. The Agent’s Warrants will contain provisions to the effect that, in the event of any change in the number of Agent’s Warrant Shares or any reclassification of the Shares into other share, or if the Company shall pay a stock dividend upon its outstanding Shares, or in the case of a consolidation, amalgamation or merger of the Company with or into another company, or any other capital reorganization of the Company not covered by the foregoing or any sale of the properties and assets of the Company as (or substantially as) an entirety to any other company, adjustments will be made in the number of Shares to which the holder will be entitled to receive on any exercise of the Warrants and the exercise price thereof. See “*Plan of Distribution*” for additional information on the Agent’s Warrants.

Options

The Company has granted 1,100,000 stock options to acquire Shares to directors, officers, employees and consultants of the Company under its Stock Option Plan. The options and the Stock Option Plan are described below at “*Options to Purchase Securities*”.

CONSOLIDATED CAPITALIZATION

The following table sets forth information respecting the capitalization of the Company as at April 30, 2018 and as at the date hereof, both before and after giving effect to the Offering.

Designation of Security	Amount authorized	Amount outstanding as of April 30, 2018 ⁽¹⁾	Amount outstanding as of the date of this Prospectus	Amount outstanding assuming completion of the Minimum Offering ⁽⁷⁾	Amount outstanding assuming completion of the Maximum Offering ⁽⁷⁾
Common Shares	Unlimited	10,080,000	12,027,473	14,427,473	15,027,473
Options ⁽²⁾	10% of the issued and outstanding	Nil	Nil	1,100,000	1,100,000
Warrants	Unlimited	660,000	2,275,000 ⁽³⁾	4,675,000 ⁽⁴⁾	5,275,000 ⁽⁴⁾
Agent's Warrants ⁽⁵⁾	Unlimited	Nil	Nil	192,000 ⁽⁶⁾	240,000 ⁽⁶⁾

- (1) As at April 30, 2018, the Company has no long-term debt.
- (2) A total of 1,100,000 Shares have been reserved for issuance pursuant to incentive stock options to be granted to directors, officers and consultants of the Company exercisable at an exercise price of \$0.50 per Share until the date which is three years following the Listing Date.
- (3) A total of 2,275,000 Shares are issuable upon exercise of the warrants at exercise prices ranging from \$0.50 to \$1.00 per Share and expiring on dates ranging from April 20, 2020 to the date which is three years following the Listing Date, and which includes 750,000 share purchase warrants issued to the Company's CEO, see "*Executive Compensation*" below.
- (4) In the event that the Over-Allotment Option is exercised in full, a further 360,000 Warrants will be issued in the case of the Minimum Offering and a further 450,000 Warrants will be issued in the case of the Maximum Offering. The Warrants are exercisable at a price of \$1.00 per Share for a period of 12 months following the Closing Date subject to an accelerated expiry provision. See "*Description of Securities Distributed*" above.
- (5) In addition, pursuant to the Agency Agreement, the Company has agreed to grant to the Agent, the Agent's Warrants on completion of the Offering, at a price of \$0.50 per Share, for a period of 12 months from the Closing Date. See "*Plan of Distribution*" and "*Description of Securities Distributed*".
- (6) In the event the Over-Allotment Option is exercised in full, a further 28,800 Agent's Warrants will be issued in the case of the Minimum Offering and a further 36,000 Agent's Warrants will be issued in the case of the Maximum Offering. Additionally, pursuant to the Agency Agreement, the Agent has the right to elect to receive all or any portion of the Agent's Commission through the issuance of Agent's Units. Up to 276,000 Agent's Units may be issuable in the event of the Maximum Offering, the exercise in full of the Over-Allotment Option and the payment of the Agent's Commission entirely through the issuance of Agent's Units.
- (7) See "*Use of Proceeds*" for the proceeds after giving effect to the Offering and deducting the expenses of the issue.

As at the date of this prospectus, the Company has no outstanding loans or other debt obligations

OPTIONS TO PURCHASE SECURITIES

As of the date of this Prospectus, the Company has approved the grant, on the Listing Date, of options to purchase up to 1,100,000 Shares at an exercise price of \$0.50 per Share and expiring on that date which is three years following the Listing Date.

The following table sets out details of the Company's stock options to be outstanding as of the Listing Date:

Group (current and former positions)	No. of Shares Under Option	Exercise Price	Expiry Date
Directors (including directors who are also officers) (4)	575,000	\$0.50	Three years from the Listing Date
Officers (who are not also directors) (Nil)	N/A	N/A	N/A
Employees (Nil)	N/A	N/A	N/A
Consultants (15)	525,000	\$0.50	Three years from the Listing Date
Total Options	1,100,000		

All of the options have been granted pursuant to the terms of the Stock Option Plan, approved by the Company's directors. The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating directors, officers, employees and consultants of the Company and of its affiliates and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through options granted under the Stock Option Plan to purchase Shares. If, as and when the Shares of the Company are listed on the Exchange, the Stock Option Plan will be subject to the review and approval of the Exchange.

The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of Shares of the Company issued and outstanding, from time to time.

The Stock Option Plan will be administered by the Board, which will have full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan as the Board may from time to time designate. The exercise prices shall be determined by the Board but shall, in no event, be less than the greater of the closing market price of the Shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options, in accordance with the policies of the Exchange. The Stock Option Plan provides that the number of all Shares reserved for issuance will not exceed 10% of the issued and outstanding Shares, from time to time. In addition, the number of Shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding Shares. The maximum number of Shares reserved for issuance to insiders, within a one-year period, may not exceed 10% of the Shares issued and

outstanding as at the date of grant of the stock option and to any individual director or officer, within a one-year period, may not exceed 5% of the Shares issued and outstanding as at the date of grant of the stock option. Options may be exercised up to 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Options will expire not later than the date which is five years from the date of grant. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession. The Board of the Company may, in its absolute discretion impose such limitations or conditions on the exercise or vesting of any options granted under the Stock Option Plan as it deems appropriate. On the occurrence of a takeover bid, issuer bid or going private transaction, the Board will have the right to accelerate the date on which any option becomes exercisable.

PRIOR SALES

Prior Sales

Since the date of incorporation and prior to the date of this prospectus, 12,027,473 Shares of the Company have been issued as follows:

Date	Number and class of securities ⁽²⁾⁽³⁾	Issue price per Common Share	Aggregate Proceeds	Consideration Received
October 26, 2017	1 Share ⁽¹⁾	\$1.00	\$1.00	Cash
November 30, 2017	3,000,000 Shares ⁽²⁾⁽³⁾	\$0.005	\$30,000	Cash
November 30, 2017	3,900,000 Shares	\$0.05	\$195,000	Cash
January 19, 2018	1,920,000 Shares	\$0.10	\$192,000	Cash
February 27, 2018	240,000 Shares	\$0.10	\$24,000	Cash
March 20, 2018	360,000 Shares	\$0.25	\$90,000	Cash
April 20, 2018	660,000 units ⁽⁴⁾	\$0.50	\$300,000	Cash and Non-Cash Consideration
May 1, 2018	315,000 units ⁽⁵⁾	\$0.50	\$150,000	Cash and Non-Cash Consideration
May 2, 2018	1,028,077 Shares ⁽⁶⁾	\$0.50 ⁽⁷⁾	Nil	Non-Cash Consideration
May 17, 2018	750,000 warrants ⁽⁸⁾	-	Nil	Non-Cash Consideration
May 28, 2018	440,000 units ⁽⁹⁾	\$0.50	\$200,000	Cash and Non-Cash Consideration
June 4, 2018	110,000 units ⁽¹⁰⁾	\$0.50	\$50,000	Cash and Non-Cash Consideration

Date	Number and class of securities ⁽²⁾⁽³⁾	Issue price per Common Share	Aggregate Proceeds	Consideration Received
June 5, 2018	54,396 Shares ⁽⁶⁾	\$0.50 ⁽⁷⁾	Nil	Non-Cash Consideration

Notes:

- (1) Initial incorporator's share, which has been repurchased by the Company and cancelled.
- (2) All of these shares will be subject to the terms of the Escrow Agreement between the Company, the holders of such shares and the Escrow Agent. See "Escrowed Securities".
- (3) Additionally, any Shares listed above and held by a Principal or a Principal's spouse or immediate family will be subject to the terms of the Escrow Agreement. See "Escrowed Securities".
- (4) Units comprising one Share and one share purchase warrant entitling the holder to acquire a further Share at a price of \$1.00 per Share until April 20, 2020. Additionally, 60,000 units were issued to a finder in association with the issuance on the same terms as the units sold to subscribers.
- (5) Units comprising one Share and one share purchase warrant entitling the holder to acquire a further Share at a price of \$1.00 per Share until May 1, 2020. Additionally, 15,000 units were issued to a finder in association with the issuance, on the same terms as the units sold to subscribers.
- (6) Issued to LDS pursuant to the License Agreement.
- (7) Deemed value of Shares issued.
- (8) 750,000 share purchase warrants, exercisable at a price of \$0.50 per share for a period of three years following the Listing Date, were issued to James Pakulis pursuant to the Consulting Agreement. Restrictions apply to the exercise of such warrants as more particularly described below at "Executive Compensation – Employment, Consulting and Management Agreements" below.
- (9) Units comprising one Share and one share purchase warrant entitling the holder to acquire a further Share at a price of \$1.00 per Share until May 28, 2020. Additionally, 40,000 units were issued to finders in association with the issuance, on the same terms as the units sold to subscribers.
- (10) Units comprising one Share and one share purchase warrant entitling the holder to acquire a further Share at a price of \$1.00 per Share until June 4, 2020. Additionally, 10,000 units were issued to a finder in association with the issuance, on the same terms as the units sold to subscribers.

Trading Price and Volume

The Shares of the Company are not listed for trading on any stock exchange. The Company has applied to list the Shares on the Exchange. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange.

ESCROWED SECURITIES

Escrowed Securities

Under NP 46-201, securities held by Principals are required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions as set out therein. Equity securities owned or controlled by Principals, including Shares and Shares issued on the exercise of previously issued options are subject to escrow requirements.

A total of 3,300,000 Shares representing 27.58% of the issued and outstanding Shares prior to giving effect to the Offering will be deposited into escrow pursuant to the Escrow Agreement.

Following the Closing Date, the Company will be classified as an "emerging issuer" under NP 46-201. An "emerging issuer" is one that does not meet the "established issuer" criteria (which includes issuers listed on the Toronto Stock Exchange in its non-exempt category and issuers that meeting Tier 1 listing requirements of the Exchange). Based on the Company being "emerging issuer", the Escrowed Securities will be subject to a three-year escrow.

If the Company achieves “established issuer” status during the term of the Escrow Agreement, it will ‘graduate’ resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18-month schedule applicable to established issuers as if the Company had originally been classified as an established issuer.

Pursuant to the Escrow Agreement dated as of June 6, 2018 among the Company, the Escrow Agent and the Principals of the Company, as required pursuant to the policies of the Exchange, (collectively with the Principals, the “**Escrow Holders**”), the Escrow Holders agreed to deposit in escrow their Shares (the “**Escrowed Securities**”) with the Escrow Agent. Under the Escrow Agreement, 10% of the Escrowed Securities will be released from escrow on the Listing Date (the “**Initial Release**”) and an additional 15% will be released on the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

Pursuant to the terms of the Escrow Agreement, the Escrowed Securities may not be transferred or otherwise dealt with during the term of the Escrow agreement unless the transfers or dealings within escrow are:

- (1) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Company or of a material operating subsidiary, with approval of the Company’s Board;
- (2) transfers to a person or company that before the proposed transfer holds more than 20% of the Company’s outstanding Shares, or to a person or company that after the proposed transfer will hold more than 10% of the Company’s outstanding Shares and has the right to elect or appoint one or more directors or senior officers of the Company or any material operating subsidiary;
- (3) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor’s spouse, children or parents;
- (4) transfers upon bankruptcy to the trustee in bankruptcy or another person or company entitled to escrow securities on bankruptcy; and
- (5) pledges to a financial institution as collateral for a *bona fide* loan, provided that upon a realization the securities remain subject to escrow.

Tenders of Escrowed Securities to a take-over bid or business combination are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid or business combination, securities received in exchange for tendered Escrow securities are substitute in escrow on the basis of the successor corporation’s escrow classification.

The following table sets out, as at the date of this prospectus, the number of Shares of the Company which are held in escrow:

Name and Municipality of Residence	Number of Escrowed Securities ⁽¹⁾	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Offering ⁽²⁾
James Pakulis, Los Angeles, CA	1,500,000 Shares	12.47%	10.40%
Brad Eckenweiler, Bellevue, WA	1,500,000 Shares	12.47%	10.40%
DaCosta Management Corp. Vancouver, B.C. ⁽³⁾	300,000 Shares	2.49%	2.08%
Total	3,300,000 Shares	27.43%	22.88%

- (1) Shares subject to the Escrow Agreement will be released pro rata to the shareholders as to 10% on the Listing Date and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months.
- (2) Assuming the Minimum Offering is completed and the Over-Allotment Option is not exercised.
- (3) A company owned and controlled by Joao DaCosta.

Where the Shares of the Company which are required to be held in escrow are held by a non-individual (a “holding company”), each holding company pursuant to the Escrow Agreement, has agreed, or will agree, not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any control person of the holding company not to transfer the shares of that company.

The complete text of the Escrow Agreement is available for inspection at the offices of the Company’s legal counsel at Suite 2080-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, during normal business hours during the period of primary distribution of the securities being distributed under this Prospectus and for a period of 30 days thereafter.

Shares Subject to Resale Restrictions

Canadian securities legislation generally provides that shares issued by a company during its private stage, commonly referred to as “seed shares”, may not be resold until the expiration of certain hold periods. The legislation which imposes and governs these hold periods is National Instrument 45-102 (“NI 45-102”). Pursuant to NI 45-102, securities of an issuer issued prior to an initial public offering are either subject to a “seasoning period” lasting four months from the date an issuer becomes a reporting issuer, or both a seasoning period and a “restricted period” of four months from the date of distribution of the securities. During either a seasoning period or a restricted period, securities may not be resold except pursuant to an exemption from applicable prospectus and registration requirements. Where an issuer becomes a reporting issuer in certain

Canadian jurisdictions (including British Columbia and Alberta) by filing a prospectus in that jurisdiction, however, the 4-month seasoning period is eliminated. Thus, only securities which are subject to a four-month restricted period will be subject to resale restrictions under NI 45-102 after an initial public offering.

Following the issuance of a receipt for a final prospectus of the Company, none of the Company's Shares would be subject to a four-month restricted period under NI 45-102. Currently, all of the issued and outstanding securities of the Company are subject to both the "seasoning period", as described above, and a "restricted period" of four months from the date of their respective issuance.

The Company has entered into pooling agreements with all of the holders of the Shares issued prior to the completion of the Offering, such that the holders of all of the 11,967,033 Shares currently issued and outstanding shall not be disposed of or transferred for a period of six months following the Closing Date.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of the Company, as of the date of this Prospectus the only persons who beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued Common Shares of the Company are as follows:

Name and Municipality of Residence of Shareholder	Number of Common Shares Presently Owned ⁽¹⁾	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Offering ⁽²⁾⁽³⁾
James Pakulis, Los Angeles, CA	1,500,000 Shares	12.47%	10.40%
Brad Eckenweiler, Bellevue, WA	1,500,000 Shares	12.47%	10.40%
	3,000,000 Shares	24.94%	20.80%

- (1) These securities are subject to escrow trading restrictions pursuant to the policies of the Exchange. See "Escrowed Securities".
- (2) Assuming completion of the Minimum Offering and that the Over-Allotment Option is not exercised, and before giving effect to the exercise of the warrants, the Agent's Warrants or options granted to directors, officers and consultants.
- (3) On a fully-diluted basis, assuming the exercise of all warrants, Agent's Warrants or options granted to directors, officers and consultants, Mr. Pakulis will hold 13.00% of the issued and outstanding Shares and Mr. Eckenweiler will hold 7.36% of the issued and outstanding shares, assuming completion of the Minimum Offering.

DIRECTORS AND OFFICERS

Name, Address, Occupation and Security Holdings

The following is a list of the current directors and officers of the Company, their municipality and province or state of residence, their current positions with the Company, their principal

occupations during the past five years and the number of Shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised. The statements as to securities beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and officers hereinafter named in each instance is based upon information furnished by the person concerned and is as at the date of this Prospectus.

Name and Municipality of Residence and Position	Principal Occupation for Past Five Years	Date of Appointment to Office	Common Shares Held ⁽²⁾	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Offering ⁽³⁾⁽⁴⁾
James Pakulis, Los Angeles, California, President, Chief Executive Officer and Director ⁽¹⁾	President, Lifestyle Delivery Systems Inc. from November 2015 to Present; Chairman and CEO of Wisdom Homes of America, Inc. (formerly General Cannabis Inc.), from 2010 to Present	October 26, 2017	1,500,000	12.47%	10.40%
Greg Ball, Vancouver, B.C., Chief Financial Officer and Director	Accounting employee for DaCosta Management Corp. from January 2005 to Present	November 15, 2017	Nil	N/A	N/A
Joao DaCosta, Langley, B.C., Director ⁽¹⁾	President and Principal of DaCosta Management Corp. (a private accounting consulting firm) from September 2003 to Present	November 15, 2017	300,000 ⁽⁵⁾	2.49%	2.08%
Juan Flores, Douglas, Arizona., Director ⁽¹⁾	Principal of Law Offices of Juan P. Flores since January 2013 to Present	May 18, 2018	Nil	N/A	N/A

(1) Members of the Audit Committee.

(2) All of these Shares are subject to escrow restrictions. See “*Escrowed Securities*”.

(3) Assuming completion of the Minimum Offering and no exercise of the Agent’s Warrants, warrants or the incentive stock options granted to the directors, officers, employees and consultants. See “Plan of Distribution” and “Options to Purchase Securities.”

(4) As of the date of this Prospectus, the directors and officers of the Company, as a group, beneficially own, directly or indirectly, 14.96% of the issued and outstanding Shares of the Company. Following completion of the Minimum Offering, the directors and officers of the Company, as a group, will beneficially own, directly or indirectly, 12.49% of the then issued and outstanding Shares of the Company.

(5) Indirectly held through DaCosta Management Corp., a private entity of which Mr. DaCosta is the President and controlling shareholder

The term of office of the directors expires annually at the time of the Company’s annual general meeting. The term of the office of the officers expires at the discretion of the Company’s directors.

With the exception of James Pakulis, none of the directors of the Company have entered into non-competition or non-disclosure agreements with the Company. Mr. Pakulis' Consulting Agreement provides that Mr. Pakulis will not disclose any of the Company's confidential information or use such confidential information other than in the best interests of the Company and in the performance of his duties as Chief Executive Officer, which covenants shall survive the termination of the Consulting Agreement for a period of one year. Additionally, Mr. Pakulis shall, for a period of one year following the termination of the Consulting Agreement, not pursue any business opportunities developed or evaluated at the Company during the term of the Consulting Agreement, other than such business opportunities that were declined by the Company. Pursuant to the Consulting Agreement, Mr. Pakulis has also agreed that during the term thereof and for a period of one year thereafter, among other things, he shall not engage in any business with, provide services to, or carry on, be engaged in, concerned with or interested in any person or persons engaged in cannabis related projects similar to or competing with the Company or its direct and indirect subsidiaries.

Management of Junior Issuers

The following is a brief description of the background of the key management, directors and the promoters of the Company.

James Pakulis, (Age: 54) is the President, Chief Executive Officer and a Director of the Company. He has served the Company as a President, Chief Executive Officer and a Director of the Company since its incorporation. As Chief Executive Officer, Mr. Pakulis is responsible for the day to day operations, outside contractor and service providers and acquisitions and business development of the Company. Mr. Pakulis will devote substantially all of his working time to the affairs of the Company. Mr. Pakulis is not an employee of the Company, but an independent consultant to the Company. See "*Executive Compensation*".

Mr. Pakulis has three decades of experience working with public and private entrepreneurial companies in a variety of emerging sectors including the cannabis industry. From 2010 to 2012, Mr. Pakulis was chairman and chief executive officer of General Cannabis Inc. Mr. Pakulis was responsible for all aspects of corporate management including strategy development and execution, operations, mergers and acquisitions, real estate transactions, finance/accounting, legal, and human resources. Mr. Pakulis is currently President of Lifestyle Delivery Systems Inc. (CSE:LDS), and CEO and chairman of Wisdom Homes of America, Inc. (OTC: WOFA).

Greg Ball, (Age: 58) is the Chief Financial Officer and a Director of the Company. He has served the Company since November 15, 2017. As Chief Financial Officer, Mr. Ball is responsible for coordination of the financial operations of the Company and for coordinating with the Company's legal counsel, corporate filings and regulatory matters. Mr. Ball will devote approximately 50% of his working time to the affairs of the Company. Mr. Ball is not an employee of the Company.

Mr. Ball holds a Bachelor of Science degree from the University of Alberta, and a professional designation of Chartered Professional Accountant (CPA), where he is a member of the Chartered Professional Accountants of Canada. He is currently an accountant with DaCosta Management Corp. providing consulting services to developing and mature stage companies in all industries and sectors and by working as their chief financial officer.

Joao DaCosta, (Age: 53) is a Director of the Company. He has served the Company since November 15, 2017. Mr. DaCosta will devote approximately 10% of his working time to the affairs of the Company. Mr. DaCosta is not an employee of the Company.

Mr. DaCosta holds a Computer Information Systems Diploma from Langara College. He is the principal of DaCosta Management Corp. which provides consulting services to developing and mature stage companies in all industries and sectors.

Juan Flores, (Age: 54) is a director of the Company. He has served the Company since May 18, 2018. Mr. Flores will devote approximately 10% of his working time to the affairs of the Company. Mr. Flores is not an employee of the Company.

Mr. Flores received his undergraduate degree from the University of Arizona in 1986, and his law degree from Whittier College in 1990. He is an attorney with more than 25 years of legal experience practicing in municipal, government, real estate, corporate and general civil law litigation. Mr. Flores has operated a private practice for over 25 years, as well as handling various legal matters for the city of Douglas, Arizona).

Other Reporting Issuer Experience

The following table sets out the directors, officers and promoters of the Company that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name of Director, Officer or Promoter	Name of Reporting Issuer	Exchange	Position	Period
James Pakulis	Lifestyle Delivery Systems Inc.	CSE	Director and President	November 2015 to Present
	Wisdom Homes of America, Inc.	OTC Pink	Chairman, CEO and Director	July 2010 to Present
Greg Ball	Fairmont Resources Inc.	TSXV	Director and CFO	September 2011 to February 2018
	Turquoise Capital Corp.	TSXV	Director	December 2013 to April 2017
	Oxford Resources Inc.	TSXV	CFO	September 2012 to July 2015
Joao DaCosta	Live Current Media Inc.	OTC MKTS	Director	December 2016 to Present
	Super Nova Minerals Corp.	CSE	Director and CFO	June 2013 to August 2013
	Golden Dawn Minerals Inc.	TSXV	Director and CFO	June 2013 to August 2013
	Five Star Diamonds Limited	TSXV	Director and CFO	November 2012 to April 2017
	Kesselrun Resources Ltd.	TSXV	Director and CFO	July 2012 to Present
	Red Metal Resources Ltd.	OTCBB/QB	Director CFO	May 2012 to Present May 2008 to Present

Name of Director, Officer or Promoter	Name of Reporting Issuer	Exchange	Position	Period
	Triton Emission Solutions Inc.	OTCBB/QB	Director	June 2008 to Present
			CFO and Secretary	May 2002 to Present
			President and CEO	January 2006 to May 2012

Aggregate Ownership of Securities

Prior to this Offering, the directors and officers of the Company, as a group, beneficially own, directly or indirectly, 1,800,000 Shares representing 14.96% of the issued and outstanding Shares of the Company. Following completion of the Minimum Offering, the directors and officers of the Company, as a group, will beneficially own, directly or indirectly, 12.49% of the then issued and outstanding Shares of the Company. Following completion of the Maximum Offering, the directors and officers of the Company, as a group, will beneficially own, directly or indirectly, 11.98% of the then issued and outstanding Shares of the Company.

Corporate Cease Trade Orders or Bankruptcies

Except as described below, no director, officer, Insider or Promoter of the Company has, within the last 10 years, been a director, officer, Insider or Promoter of any reporting issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemption for a period of more than 30 consecutive days or was declared a bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or been subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Triton Emission Solutions Inc.

Mr. Da Costa is the CFO and a director of Triton Emission Solutions Inc., (“**Triton**”), a company quoted for trading on the OTCBB. Pursuant to Multilateral Instrument 51-105, Triton was obligated to file its annual financial statements for the year ended December 31, 2017. Pursuant to National Instrument 52-107, the annual financial statements were to be accompanied by an auditor’s report, but Triton had filed unaudited financial statements. On April 19, 2018, the British Columbia Securities Commission issued a cease trade order concerning Triton and trading in its common shares.

Red Metal Resources Ltd.

Mr. Da Costa is the CFO of Red Metal Resources Ltd. (“**Red Metal**”), a company quoted for trading on the OTCBB. Pursuant to BC Instrument 51-109, Red Metal was obligated to file its quarterly and annual financial statements on SEDAR as a foreign issuer. On June 2, 2009, Red Metal voluntarily ceased being a reporting issuer in the US and its filing obligations as required by the United States Securities and Exchange Commission. Red Metal believed that, since it had ceased being a reporting issuer in the United States that its concurrent filing obligations in British

Columbia had also ceased. On September 14, 2009, the British Columbia Securities Commission issued a cease trade order concerning Red Metal and trading in its common shares due to Red Metal failing to file its interim financial statements and Management Disclosure and Analysis for the period ended April 30, 2009. Red Metal filed the outstanding financial statements and MD&A and the cease trade order was revoked on October 20, 2009.

Live Current Media Inc.

Mr. Da Costa was a director of Live Current Media Inc. (“**Live Current**”), a company quoted on the OTCBB, from October 10, 2010 to May 2011. On May 10, 2011, the British Columbia Securities Commission issued a cease trade order against Live Current for failure to file its annual financial statements and MD&A and annual information form for the fiscal year ended December 31, 2010. Mr. Da Costa resigned as a director on May 19, 2011. Subsequently, thereto in November 2013, Live Current ceased being an OTC reporting issuer.

In June 2014, a receiver was placed in charge of Live Current. Mr. DaCosta joined the board of directors of Live Current in December 2016 as part of a process intended to bring Live Current out of receivership. In May 2017, the Company was discharged from receivership. Mr. DaCosta remains a director of Live Current.

Penalties and Sanctions

No director, officer, Insider or Promoter of the Company, or any shareholder holding sufficient securities of the Company to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director, officer, Insider or Promoter of the Company, or any shareholder holding sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons, has, within the 10 years preceding the date of this prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Conflicts of Interest

There are potential conflicts of interest to which some or all of the directors, officers, Insiders and Promoters of the Company will be subject to in connection with the operations of the Company. The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. Some of the directors and officers of the Company are directors and officers of other companies. See “*Other Reporting Issuer Experience*”. Accordingly, situations may arise where some or all of the directors, officers, Insiders or Promoters of the Company will be in direct competition with the Company.

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project

or opportunity of the Company. To the best of the Company's knowledge, other than is disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors, officers or other members of management of the Company as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers, in accordance with the BCBCA are required to disclose all such conflicts and are expected to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

EXECUTIVE COMPENSATION

Director and Named Executive Officer Compensation

The following table (presented in accordance with Form 51-102F6V, as prescribed by NI 51-102), is a summary of compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the directors and NEOs for each of the Company's two most recently completed financial years. As the Company was incorporated in October 2017, the disclosure below is for the period from incorporation on October 26, 2017 to April 30, 2018. For the purpose of this Prospectus, as of April 30, 2018, the Company had two "Named Executive Officers", namely James Pakulis, CEO and Greg Ball, CFO.

Table of compensation excluding compensation securities							
Name and position ⁽³⁾	Period from incorporation to April 30, 2018	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
James Pakulis, Chief Executive Officer ⁽¹⁾	2018	\$114,500	Nil	Nil	Nil	Nil	\$114,500
Greg Ball, Chief Financial Officer	2018	Nil	Nil	Nil	Nil	Nil	Nil
Joao DaCosta, Director ⁽²⁾	2018	\$36,000	Nil	Nil	Nil	Nil	\$36,000

Notes:

- (1) Pursuant to the Consulting Agreement, Mr. Pakulis, until August 1, 2018, receives a monthly fee of \$19,000, and thereafter \$12,000 per month. In consideration for such fee adjustment, Mr. Pakulis was issued 750,000 share purchase warrants of the Company, exercisable at a price of \$0.50 per Share for a period of three years following the Listing Date. Please see "Employment, Consulting and Management Agreements" below for additional information.
- (2) Mr. Da Costa is the sole owner of Da Costa Management Corp., which provides accounting and administrative consulting services to the Company at a rate of \$6,000 per month.

(3) Subsequent to April 30, 2018, Juan Flores was appointed as a director of the Company. Mr. Flores has received no compensation to date in serving as a director of the Company, but will be granted Options in his capacity as director.

External Management Companies.

With the exception of Mr. DaCosta, who provides services through DaCosta Management Corp. (a company owned controlled by Mr. DaCosta) as described above, none of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to any NEO or director by the Company or its subsidiaries for the period from incorporation on October 26, 2017 to April 30, 2018 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

There were no compensation securities outstanding as at period ended April 30, 2018.

No other compensation securities were re-priced, cancelled and replaced, had their term extended, or otherwise materially modified during the period from incorporation on October 26, 2017 to April 30, 2018.

There are no restrictions or conditions for converting, exercising or exchanging the compensation securities.

No compensation securities were exercised by a director or NEO during the period from incorporation on October 26, 2017 to April 30, 2018.

Subsequent to the period ended April 30, 2018, the board of directors of the Company determined to approve the grant of 575,000 stock options on the Listing Date to directors and officers as further described at “*Options to Purchase Securities*” above and issued 750,000 share purchase warrants to a NEO, being James Pakulis, as further described below at “*Employment, Consulting and Management Agreements*”.

Stock Option Plans and Other Incentive Plans

As the Company is recently incorporated, the Stock Option Plan was adopted by its then sole shareholder at the time of incorporation. The Company will submit the Stock Option Plan for ratification by its shareholders at its first annual general meeting of shareholders anticipated to be held on or before April 2019.

The purpose of the Stock Option Plan is to attract and motivate directors, officers and employees of and consultants to the Company and its subsidiaries and thereby advance the Company’s interests by affording such persons with an opportunity to acquire an equity interest in the Company through the stock options. The principal terms of the Stock Option Plan are described above at “*Options to Purchase Securities*”.

The Stock Option Plan does not require shareholder approval until such time as the Company seeks to materially amend the Stock Option Plan, including the number of options available under it.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities to be granted or issued to each NEO or director by the Company or its subsidiaries as at the Listing Date, for services provided, directly or indirectly to the Company or any of its subsidiaries:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of Issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$) ⁽²⁾	Closing price of security or underlying security at year ended November 30, 2017 (\$) ⁽³⁾	Expiry date
James Pakulis, President, CEO and Director	Options and share purchase warrants	400,000 Options / 36.36% 750,000 warrants / 33.78% ⁽¹⁾	Listing Date	\$0.50	\$0.50	N/A	Three years following the Listing Date
Greg Ball, CFO, Corporate Secretary and Director	Options	50,000 / 4.54%	Listing Date	\$0.50	\$0.50	N/A	Three years following the Listing Date
Joao DaCosta Director	Options	50,000 / 4.54%	Listing Date	\$0.50	\$0.50	N/A	Three years following the Listing Date
Juan Flores, Director	Options	75,000 / 6.82%	Listing Date	\$0.50	\$0.50	N/A	Three years following the Listing Date

- (1) In addition to the Options to be granted to Mr. Pakulis on the Listing Date, pursuant to the terms of the Consulting Agreement, Mr. Pakulis was issued 750,000 share purchase warrants exercisable at a price of \$0.50 per Share for a period of three years following the Listing Date. The warrants issued are subject to restrictions on exercise as more particularly outlined below.
- (2) Based upon the Offering Price.
- (3) As of November 30, 2017, and as at the date of this Prospectus, the Shares are not listed for trading on any stock exchange.

The following table discloses the total amount of compensation securities to be held by the NEOs and directors as at the Listing Date. The Options to be granted as at the Listing Date will vest immediately.

Name and Position	Number and type of Compensation Securities
James Pakulis, President, CEO and Director	400,000 Options and 750,000 warrants
Greg Ball, CFO, Corporate Secretary and Director	50,000 Options
Joao DaCosta, Director	50,000 Options
Juan Flores, Director	75,000 Options

There are no restrictions or conditions currently in place for converting, exercising or exchanging the Options. The 750,000 share purchase warrants issued to Mr. Pakulis bear restrictions on exercise such that 250,000 warrants may be exercised at such time as the Company's gross revenues exceeds US\$1,000,000, a further 250,000 warrants may be exercised at such time as the Company's gross revenues exceeds US\$2,000,000 and the remaining 250,000 warrants may be exercised at such time as the Company's gross revenues exceeds US\$3,000,000.

Employment, Consulting and Management Agreements

Except as described below, the Company does not have any contracts, agreements, plans or arrangements that provides for payments to a director or NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities.

The Company has entered into the Consulting Agreement with James Pakulis for the provision of services by Mr. Pakulis to the Company as its Chief Executive Officer. Pursuant to the Consulting Agreement, Mr. Pakulis receives annual compensation of \$144,000 per year, payable monthly, commencing on August 1, 2018, prior to that date, Mr. Pakulis' annual compensation was set at \$228,000. In consideration for the reduction to Mr. Pakulis' annual compensation, the Company issued to Mr. Pakulis 750,000 share purchase warrants entitling Mr. Pakulis to acquire 750,000 Shares at a price of \$0.50 per Share for a period of three years following the Listing Date. The exercise of the warrants is restricted such that 250,000 warrants may be exercised at such time as the Company's gross revenues exceeds US\$1,000,000, a further 250,000 warrants may be exercised at such time as the Company's gross revenues exceeds US\$2,000,000 and the remaining 250,000 warrants may be exercised at such time as the Company's gross revenues exceeds US\$3,000,000. The Consulting Agreement has a five-year term ending on November 14, 2022 and is automatically renewed for successive one-year periods thereafter, unless terminated. The Consulting Agreement may be terminated by the Company without cause, provided that the Company shall pay to Mr. Pakulis a lump sum equal to the monthly remuneration due to Mr. Pakulis multiplied by 18 months, regardless of the remaining term of the Consulting Agreement.

Oversight and Description of Director and Named Executive Officer Compensation

The objective of the Company's compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development.

The Company compensates its executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Company, the Company's resources, industry practice and regulatory guidelines regarding executive compensation levels.

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the Shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board may award executive officers long term incentives in the form of stock options. Finally, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value. The Company does not provide pension or other benefits to the executive officers. The Company does not have pre-existing performance criteria or objectives. All significant elements of compensation awarded to, earned by, paid or payable to NEOs are determined by the Company on a subjective basis. The Company has not used any peer group to determine compensation for its directors and NEO.

The Board has the responsibility to administer compensation policies related to executive management of the Company, including option-based awards. The Board has approved the Stock Option Plan pursuant to which the Board has granted stock options to executive officers. The Stock Option Plan provides compensation to participants and an additional incentive to work toward long-term company performance. The Stock Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact and/or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the Exchange, and closely align the interests of the executive officers with the interests of shareholders.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

Pension Disclosure

The Company does not have any pension or retirement plan which is applicable to the NEOs or directors. The Company has not provided compensation, monetary or otherwise, to any person who now or previously has acted as a NEO of the Company, in connection with or related to the retirement, termination or resignation of such person, and the Company has provided no compensation to any such person as a result of a change of control of the Company.

Securities Authorized for Issuance under Equity Compensation Plans at April 30, 2018

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price or outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a))
Equity compensation plans approved by securityholders	Nil	N/A	1,008,000
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	Nil	N/A	1,008,000

Management Contracts

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Company or any associate or affiliate of them was indebted to the Company as at the date of this Prospectus.

AUDIT COMMITTEE

The Company's audit committee (in this section, the "**Audit Committee**") has various responsibilities as set forth in NI 52-110. The Audit Committee over sees the accounting and financial reporting practices and procedures of the Company and the audits of the Company's financial statements. The principal responsibilities of the Audit Committee include: (i) overseeing the quality, integrity and appropriateness of the internal controls and accounting procedures of the Company, including reviewing the Company's procedures for internal control with the Company's auditors and chief financial officer; (ii) reviewing and assessing the quality and integrity of the Company's internal and external reporting processes, its annual and quarterly financial statements and related management discussion and analysis, and all other material continuous disclosure documents; (iii) establishing separate reviews with management and external auditors of significant changes in procedures or financial and accounting practices, difficulties encountered during auditing, and significant judgments made in management's preparation of financial statements; (iv) monitoring compliance with legal and regulatory requirements related to financial reporting; (v) reviewing and pre-approving the engagement of the auditor of the Company and independent audit fees; and (vi) assessing the Company's accounting policies, and considering, approving, and monitoring significant changes in accounting principles and practices recommended by management and the auditor.

Audit Committee Charter

The full text of the charter of the Company's Audit Committee is set in Appendix "A" attached hereto.

Composition of the Audit Committee

As noted above, the members of the Audit Committee are James Pakulis, Joao DaCosta and Juan Flores, of which Joao DaCosta and Juan Flores are considered independent pursuant to NI 52-110. All members of the Audit Committee are considered to be financially literate.

A member of the audit committee is *independent* if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the audit committee is considered *financially literate* if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

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

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

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

an understanding of internal controls and procedures for financial reporting, are as follows:

James Pakulis: In addition to acting as a director and officer of the Company, Mr. Pakulis has acted an executive officer and director of Lifestyle Delivery Systems Inc. since November 2015 which is a cannabis related entity doing business in California and as an executive officer and a director of Wisdom Homes of America, Inc. (formerly SearchCore, Inc., formerly General Cannabis, Inc.) since 2010. Mr. Pakulis has three decades of experience working with entrepreneurial companies in a variety of emerging and high-growth sectors including internet, finance, real estate, and health care. Mr. Pakulis currently sits on the audit committee of LDS.

Joao DaCosta: Mr. Da Costa has more than twenty years of experience providing bookkeeping and accounting services for both private and public companies and is the founder and president of Da Costa Management Corp., a company that has provided management and accounting services to public and private companies since September 2003. Mr. Da Costa currently serves as an officer and director of a number of public companies, including as CFO, Corporate Secretary and Director of Triton Emission Solutions Inc., a company quoted on the OTC Bulletin Board engaged in the business of researching and developing products that reduce toxic emission and as CFO and Director of Red Metal Resources Ltd, a company quoted on the OTC Bulletin Board that is engaged in the business of acquiring and exploring mineral claim.

Juan Flores: Mr. Flores holds an undergraduate degree from the University of Arizona and a law degree from Whitter College. He is an attorney with over 25 years' experience practicing in municipal, government and corporate law, among other areas.

Each Mr. Pakulis and Mr. DaCosta has extensive experience in dealing with financial statements, accounting issues, internal controls and other matters relating to public companies. Mr. Flores has not served on an audit committee of a public company previously but has experience dealing with and reviewing financial statements and accounting issues for private enterprises and municipalities and will be assisted by the other members of the audit committee, as well as the Company's auditor.

Audit Committee Oversight

At no time since incorporation has the Audit Committee made any recommendations to the Board to nominate or compensate any external auditor

Reliance of Certain Exemptions in NI 52-110 regarding De Minimis Non-audit Services or on a Regulatory Order Generally

At no time since incorporation has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services) (which exempts all non-audit services provided by the Company's auditor from the requirement to be preapproved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are

subsequently approved by the Audit Committee prior to the completion of that year’s audit), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies on Certain Exemptions

Except as described in the audit committee charter reproduced above, the Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Services Fees

The Audit Committee has pre-approved the nature and amount of the services provided by Dale Matheson Carr-Hilton LaBonte LLP, Chartered Accountants, to the Company to ensure auditor independence. Fees incurred for audit services since incorporation are outlined below:

Nature of Services	Fees Paid to Auditor in the period from incorporation on October 26, 2017 to April 30, 2018
Audit Fees ⁽¹⁾⁽⁵⁾	\$10,000
Audit Related Fees ⁽²⁾	-
Tax Fees ⁽³⁾	-
All other Fees ⁽⁴⁾	-
Total	\$10,000

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” includes all other non-audit services”.
- (5) Audit fees in the amount of \$nil have been accrued as at April 30, 2018.

Exemption in Section 6.1 of NI 52-110

The Company is relying on the exemptions provided for in Section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of certain of its reporting obligations under NI 52-110.

The Company is a “venture issuer” as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

CORPORATE GOVERNANCE

General

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore such guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders of the Company. Corporate governance also takes into account the role of the individual members of management appointed by the Board who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making

Composition of the Board

The Board facilitates its exercise of independent supervision over management by ensuring that the Board is composed of a majority of independent directors. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. The Board has four directors, two of which are considered to be independent. Mr. DaCosta and Mr. Flores are considered to be independent directors for the purposes of NI 58-101 and Mr. Pakulis and Mr. Ball are not considered to be independent due to their relationships as senior officers.

The Board of the Company facilitates its exercise of supervision over Company's management through frequent meetings of the Board.

Mandate of the Board

The Board has responsibility for the stewardship of the Company including responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company's internal control and management information systems.

The Board sets long term goals and objectives for the Company and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Company to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business. The Board is responsible for protecting shareholders' interests and ensuring that the incentives of the shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Company's business including financial risks, through periodic

reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the Company is authorized to act without board approval, on all ordinary course matters relating to the Company's business.

The Board also monitors the Company's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board is responsible for selecting the President and appointing senior management and for monitoring their performance.

Directorship

The following is a list of each director of the Company who is also a director of other reporting issuers (or equivalent) in a Canadian or foreign jurisdiction as of the date of this Prospectus:

<u>Name of director</u>	<u>Other reporting issuer</u>
James Pakulis	Lifestyle Delivery Systems Inc. Wisdom Homes of America Inc.
Greg Ball	N/A
Joao DaCosta	Live Current Media Inc. Kesselrun Resources Ltd. Red Metal Resources Ltd. Triton Emission Solutions Inc.
Juan Flores	N/A

Position Descriptions

The Board has not developed written position descriptions for the chair or the chair of any board committees or for the CEO. Given the size of the Company's infrastructure and the existence of only a small number of officers, the Board does not feel that it is necessary at this time to formalize position descriptions in order to delineate their respective responsibilities.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business and industry and on the responsibilities of directors. New directors also receive historical public information about the Company and the mandates of the committees of the Board. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business. In addition, new directors are encouraged to visit and meet with management on a regular basis and to pursue continuing education opportunities where appropriate.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Further, the Company's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

Under applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interest of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction is a director or officer (or an individual acting in a similar capacity) of a party to the contract or voting on the contract or transaction, unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid, and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

Nomination of Directors

The Board will consider its size each year when it considers the number of directors to recommend to the shareholders of the Company for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, show support for the Company's mission and strategic objectives, and a willingness to serve.

Effective November 20, 2017, the Company adopted advance notice provisions within the Articles of the Company (the "**Advance Notice Provisions**").

The Advance Notice Provisions are intended to facilitate an orderly and efficient annual and/or special meeting process and ensure that all shareholders receive adequate notice and information about director nominees. The Advance Notice Provisions provide a clear process for shareholders

to follow to nominate directors, and sets out a reasonable time for nominee submissions to be considered.

The Advance Notice Provisions fix a deadline by which holders of record of the Company's common shares must submit director nominations to the Company prior to any annual or special meeting of shareholders, and sets out the information that a shareholder must include in such notice to the Company. In the case of an annual meeting of shareholders, notice to the Company must be made not less than 30 days nor more than 65 days prior to the date of the annual meeting, unless the annual meeting is to be held less than 40 days after the meeting was first announced, in which case notice may be made no later than the close of business on the 10th day after the announcement. In the case of a special meeting of the shareholders, notice to the Company must be made no later than the close of business on the 15th day following public announcement of the date of the special meeting.

Compensation

The Board is, among other things, responsible for determining all forms of compensation to be granted to the Chief Executive Officer of the Company and other senior management and executive officers of the Company, for evaluating the Chief Executive Officer's performance in light of the corporate goals and objectives set for him/her, for reviewing the adequacy and form of the compensation and benefits of the directors in their capacity as directors of the Company to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director. The directors decide as a Board the compensation for the Company's officers, based on industry standards and the Company's financial situation.

Other Board Committees

The Board has no committees other than the Audit Committee as described above under the heading "*Audit Committee*".

Assessments

The Board regularly assesses its own effectiveness and the effectiveness and contribution of each Board committee member and Director.

PLAN OF DISTRIBUTION

The Offering

The Offering consists of a minimum of 2,400,000 Units and a maximum of 3,000,000 Units of the Company at a price of \$0.50 per Unit for gross proceeds of between \$1,200,000 and \$1,500,000.

In addition, the Agent has been granted the Over-Allotment Option exercisable, in whole or in part, at any time on or before the date which is 30 days following the Closing Date, to sell up to an additional 15% of the Units sold pursuant to the Offering at the Offering Price.

The Over-Allotment Option is exercisable by the Agent giving notice in writing to the Company prior to the expiry of the Over-Allotment Option, which notice shall specify the number of Units to be sold. This Prospectus qualifies the grant of the Over-Allotment Option and the issuance of

the Shares, Warrants and Warrant Shares forming part of the Units issuable upon exercise of the Over-Allotment Option.

Appointment of the Agent

Pursuant to the Agency Agreement, the Company appointed the Agent as its exclusive agent for the purposes of the Offering, and the Corporation, through the Agent, hereby offers for sale to the public under this Prospectus on a commercially reasonable efforts basis, the Units at a price of \$0.50 per Unit in the provinces of British Columbia, Alberta and Ontario. This Prospectus qualifies the distribution of the Units to the purchasers in the Offering Jurisdictions. The Agent reserve the right, at no additional cost to the Company, to offer selling group participation in the normal course of the brokerage business to selling groups or other licensed dealers and investment dealers, who may or may not be offered part of the Agent's Commission or Agent's Warrants derived from the Offering. The Agent is not obligated to purchase Units in connection with the Offering. The obligations of the Agent under this Offering may be terminated at any time in the Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain other stated events.

The funds received from the Offering will be held by the Agent and will not be released until the Closing. The total subscription must be raised within 90 days of the date a receipt for the Prospectus is issued, or such other time as may be consented to by persons or companies who subscribed within that period, failing which the Agent will remit the funds collected back to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent, unless an amendment to the Prospectus is filed and the Securities Commissions have issued a receipt for the amendment. If an amendment to the Prospectus is filed and the Securities Commissions have issued a receipt for the amendment, the distribution must cease within 90 days from the date of the receipt for the amendment to the Prospectus and in any event not later than 180 days from the receipt for the final prospectus.

Subscriptions will be received for Units offered hereby subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time. Upon rejection of a subscription, or in the event the Offering does not complete within the time required, the subscription price and the subscription will be returned to the subscriber forthwith without interest or deduction. Completion of the Offering is subject to sale of at least the number of Units comprising the Minimum Offering.

At the closing, the Units, which are immediately separable into Shares and Warrants, distributed under this Prospectus will be available for delivery in book-entry form or the non-certificated inventory system of CDS or, its nominee, and will be deposited with CDS on the closing of the Offering. Purchasers of Units will receive only a customer confirmation from the Agent as to the number of Units subscribed for. Certificates representing the Shares and Warrants in registered and definitive form will be issued in certain limited circumstances.

Other than the offering expenses disclosed elsewhere in this Prospectus and payments to be made to the Agent as disclosed in this section, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder, or any other person or company in connection with the Offering.

The directors, officers and other insiders of the Company may purchase Units from the Offering.

The Agency Agreement provides that, upon the occurrence of certain events or at the discretion of the Agent on the basis of its assessment of the state of financial markets, the Agent may terminate the Offering and the obligations of purchasers to purchase the Units will then cease.

The Company is not a related or connected issuer (as such terms are defined in National Instrument 33-105) to the Agent.

The Company has agreed, subject to certain exceptions, not to directly or indirectly, offer, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of or agree to or announce any intention to do so, any Shares or any securities convertible into or exchangeable for, or otherwise exercisable to acquire Shares for a period of 90 days after the Closing Date, without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed, except in conjunction with: (i) the exercise of the Over-Allotment Option; (ii) the grant or exercise of stock options and other similar issuances pursuant to the Stock Option Plan and other share compensation arrangements currently in place; or (iii) the issue of Shares upon the exercise of convertible securities, warrants or options outstanding prior the Closing Date.

As a condition of closing of the Offering, each of the senior officers and directors of the Company will enter into agreements in favour of the Agent pursuant to which each will agree not to, directly or indirectly, sell, or announce any intention to sell, any Shares or other securities convertible into, exchangeable for, or otherwise exercisable to acquire Shares for a period of 90 days after the Closing Date, without the prior written consent of the Agent, such consent not to be unreasonably withheld.

In the event that the Company determines not to complete the Offering in order to complete an 'alternative transaction', the Company is obligated to pay to the Agent promptly upon the closing of such alternative transaction, a fee equal to the maximum amount of fees payable under the Agency Agreement calculated on the basis of the Maximum Offering being completed. An 'alternative transaction' constitutes for this purpose, an issuance of securities of the Company or a business transaction either of which involves a change of control of the Company, or any material subsidiary, including a merger, amalgamation, arrangement, take-over bid supported by the Board, insider bid, reorganization, joint venture, sale of all or substantially all assets, exchange of assets or any similar transaction, but excluding the issuance of securities pursuant to the exercise of securities of the Company outstanding or in connection with a bona fide acquisition by the Company

If, within 12 months of the Closing Date, the Company (a) proposes to issue debt or equity securities by way of a brokered financing, (b) proposes to acquire or dispose of any assets or securities out of the ordinary course of business, (c) propose a material corporate transaction, such as an amalgamation, recapitalization, merger, take-over bid, joint venture, plan of arrangement or reorganization, or (d) receives an unsolicited take-over bid or merger proposal, the Company has granted to the Agent a right of first refusal to lead manage, as agent or underwriter and/or act as exclusive financial advisor (as the case may be, depending on the nature of the transaction and provided that the Company intends to appoint a financial advisor) in connection with such transaction, subject to the Company and the Agent agreeing on mutually acceptable fee arrangements and provided that the terms and conditions of any such engagement shall be no more favorable on the whole to any other financial institution than the terms and conditions offered by the Company to the Agent.

Agent's Compensation

Under the terms of the Agency Agreement, the Company has agreed to pay the Agent's Commission of 8.0% of the aggregate gross proceeds of the Offering, payable in cash or through the issuance of the Agent's Units, at the discretion of the Agent. The Agent will also be paid a Corporate Finance Fee of \$25,000 plus GST. The Company has also agreed to reimburse the Agent for its reasonable expenses of which the Company has advanced \$10,000 as a retainer, provided that the legal fees of the Agent shall not exceed \$50,000.

The Company has also agreed to grant in aggregate to the Agent the Agent's Warrants on completion of the Offering entitling the Agent to purchase that number of Shares equal to 8.0% of the number of Units sold pursuant to this Offering exercisable at a price of \$0.50 per Share for a period of 12 months from the Closing Date.

This Prospectus qualifies the distribution of the Agent's Warrant or the Agent's Units to the Agent.

Listing Application

The Company has applied to list the securities distributed under this prospectus on the Exchange. Listing will be subject to the Company fulfilling all the listing requirements of the Exchange.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

Determination of Price

The price of the Units and the commission payable to the Agent was established through negotiation between the Company and the Agent.

Distributions in the United States

The securities offered under this Prospectus have not been and will not be registered under the U.S. Securities Act or the securities laws of any state. Such securities may not be offered or sold or otherwise transferred or disposed of within the United States or to, or for the account or benefit of, any "U.S. Person" (as such term is defined in Regulation S under the U.S. Securities Act) without registration unless an exemption from registration is available.

RISK FACTORS

The securities offered hereunder must be considered highly speculative due to the nature of the Company's business. Prospective investors should carefully consider the information presented in this Prospectus before purchasing the Units offered under this Prospectus, and in particular should give special consideration to the risk factors below and in the section entitled "*Forward-Looking Statements*" above.

The risk and uncertainties below are not the only risks and uncertainties facing the Company. Additional risks and uncertainties not presently known to the Company or that the Company

currently considers immaterial may also impair the business, operations and future prospects of the Company and cause the price of the Shares to decline. If any of the following risks actually occur, the business of the Company may be harmed and its financial condition and results of operations may suffer insignificantly. As a result of these factors, this Offering is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Units. In addition to the risks described elsewhere and the other information in this Prospectus, prospective investors should carefully consider each of, and the cumulative effect of all of, the following risk factors:

Risk Related to the Offering

Discretion in the Use of Proceeds

The Company intends to use the net proceeds from the Offering as set forth under “*Use of Proceeds*”; however, the Company maintains broad discretion concerning the use of the net proceeds of the Offering as well as the timing of their expenditure. The Company may re-allocate the net proceeds of the Offering other than as described under the heading “*Use of Proceeds*” if management of the Company believes it would be in the Company’s best interest to do so and in ways that a purchaser may not consider desirable. Until utilized, the net proceeds of the Offering will be held in cash balances in the Company’s bank account or invested at the discretion of the Board of Directors. As a result, a purchaser will be relying on the judgment of management of the Company for the application of the net proceeds of the Offering. The results and the effectiveness of the application of the net proceeds are uncertain. If the net proceeds are not applied effectively, the Company’s results of operations may suffer, which could adversely affect the price of the Shares.

Additional Financing

The continued development of the Company will require additional financing. There is no guarantee that the Company will be able to achieve its business objectives. The Company intends to fund its future business activities by way of additional offerings of equity and/or debt financing as well as through anticipated positive cash flow from operations in the future. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Company. If additional funds are raised by offering equity securities, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve the granting of security against assets of the Company and also contain restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Company will require additional financing to fund its operations until positive cash flow is achieved. See “*Risk Factors – Negative Cash Flow from Operations*”.

No Current Market for Shares or Warrants

The Company has applied to list the Shares on the Exchange. However, there is currently no market through which the Shares may be sold. The Warrants will not be listed on any stock exchange. The purchasers may not be able to resell the securities purchased under this Prospectus.

This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation.

Volatility of Stock Markets

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies has experienced substantial volatility in the past. This volatility may affect the ability of holders of Shares to sell their securities at an advantageous price. Market price fluctuations in the Shares may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Shares.

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

Before this Offering, there had been no public market for the Company's Shares. An active public market for the Shares might not develop or be sustained after the Offering. The Offering Price of the Units has been determined by negotiation between the Company and the Agent, and this price will not necessarily reflect the prevailing market price of the Shares following this Offering. If an active public market for the Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial public offering price.

Risk Factors Related to Dilution

The Company may issue additional securities in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of Shares. The Company's shareholders do not have pre-emptive rights in connection with any future issuances of securities by the Company. The directors of the Company have discretion to determine the price and the terms of further issuances. Moreover, additional Shares will be issued by the Company on the exercise of options under the Stock Option Plan and upon the exercise of outstanding warrants.

The following table sets out the immediate dilution to purchasers of Units under this Prospectus assuming completion of the Offering.

Dilution	Expressed in Dollars per Share	Expressed as a Percentage of Subscription Price
Minimum Offering	\$0.3315	66%
Maximum Offering	\$0.3182	64%

Dilution has been computed on the basis of total gross proceeds to be raised by this Prospectus and from the sale of securities prior to filing this Prospectus, without deduction of commissions or related expenses by the Company and does not assume the exercise of any stock options or the Agent's Warrants.

It is likely that the Company will enter into more agreements to issue Shares and warrants and options to purchase Shares. The impact of the issuance of a significant amount of Shares from these warrant and option exercises could place downward pressure on the market price of the Shares.

Enforcement of Judgments Against Certain Persons and Foreign Subsidiaries

The Company's President and Chief Executive Officer, James Pakulis, who is also a director and Juan Flores, a director, have signed this Prospectus, and reside outside of Canada. In addition, most of the Company's assets, as well as its subsidiaries, being TCMi and GF, are located outside of Canada or organized pursuant to the law of a jurisdiction other than Canada. Although each of Mr. Pakulis, Mr. Flores and TCHI and GF have appointed S. Paul Simpson Law Corporation at 2080-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4 as their agent for service of process in Canada, it may not be possible for investors to enforce judgements obtained in Canada against Mr. Pakulis, Mr. Flores, TCHI or GF.

There is some doubt as to the enforceability in the United States by a court in original actions, or in actions to enforce judgments of Canadian courts, of civil liabilities predicated upon such applicable Canadian provincial securities laws or otherwise. A court in the United States may refuse to hear a claim based on a violation of Canadian provincial securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a court in the United States agrees to hear a claim, it may determine that the local law in the United States, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time consuming and costly process. Certain matters of procedure will also be governed by foreign law in such circumstances.

Ability of Company to Continue as a Going Concern

The Company is in the development stage and is currently seeking additional capital to develop its operations in the cannabis industry and grow its revenue. The Company's ability to continue as a going concern is dependent upon its ability in the future to grow its revenue and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by

the issuance of equity and debt, will be sought to finance the operations of the Company; however, there can be no certainty that such funds will be available at terms acceptable to the Company. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Negative Cash Flow from Operations

During the period ended April 30, 2018, the Company had negative cash flows from operating activities. Although the Company anticipates it will have positive cash flow from operating activities in future periods, to the extent that the Company has negative cash flow in any future period, certain of the net proceeds from the Offering may be used to fund such negative cash flow from operating activities.

Dividends

The Company does not anticipate paying any dividends on the Shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Any decision to declare and pay dividends in the future will be made at the discretion of the Company's board of directors and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the Company's board of directors may deem relevant. As a result, investors may not receive any return on an investment in the Units unless they sell their shares of the Company for a price greater than that which such investors paid for them.

Risks Related to the Business of the Company

Risks Specifically Related to the United States Regulatory System

The Company operates in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements.

The Company's subsidiaries incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. Further, the Company may be subject to a variety of claims and lawsuits. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect its ability to conduct business. The litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future. A material adverse impact on our financial statements also could occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable.

This prospectus involves an entity that is expected to continue to derive all or substantially all of its revenues from the cannabis industry in certain states of the United States, which industry is illegal under United States federal law. While the Company's business activities are compliant with applicable state and local law, such activities remain illegal under United

States federal law. The Company is involved in the cannabis industry in the United States where local and state laws permit such activities or provide limited defenses to criminal prosecutions.

Currently, the Company is indirectly and directly engaged in the possession, distribution and sale of cannabis and cannabis-related products in the medical cannabis marketplace in the United States. The Company plans to operate in the recreational cannabis marketplace in the future. The enforcement of relevant laws is a significant risk.

Twenty-nine of the states in the United States have enacted comprehensive legislation to regulate the sale and use of medical cannabis. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a Schedule 1 controlled substance under the CSA. As such, cannabis-related practices or activities, including without limitation, the cultivation, manufacture, importation, possession, use or distribution of cannabis, are illegal under United States federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under United States federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. Any such proceedings brought against the Company may adversely affect the Company's operations and financial performance.

Because of the conflicting views between state legislatures and the federal government of the United States regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation, regulation, and enforcement. Unless and until the United States Congress amends the CSA with respect to cannabis or the Drug Enforcement Agency reschedules or de-schedules cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, which would adversely affect the current and future investments of the Company in the United States. As a result of the tension between state and federal law, there are a number of risks associated with the Company's existing and future investments in the United States.

For the reasons set forth above, the Company's existing interests in the United States cannabis market may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. It has been reported by certain publications in Canada that the Canadian Depository for Securities Limited may implement policies that would see its subsidiary, CDS Clearing and Depository Services Inc. ("CDS"), refuse to settle trades for cannabis issuers that have investments in the United States. CDS is Canada's central securities depository, clearing and settlement hub settling trades in the Canadian equity, fixed income and money markets. The TMX Group, the owner and operator of CDS, subsequently issued a statement on August 17, 2017 reaffirming that there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States, despite media reports to the contrary and that the TMX Group was working with regulators to arrive at a solution that will clarify this matter, which would be communicated at a later time.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding ("TMX MOU") with Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSX Venture Exchange. The TMX MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the United States. The TMX MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the

United States. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of Shares to make and settle trades. In particular, the Shares would become highly illiquid as until an alternative was implemented, investors would have no ability to effect a trade of the Common Shares through the facilities of a stock exchange.

Further, on January 4, 2018, U.S. Attorney General Jeff Sessions formally rescinded the standing U.S. Department of Justice federal policy guidance governing enforcement of marijuana laws, as set forth in a series of memos and guidance from 2009-2014, principally the Cole Memorandum. The Cole Memorandum generally directed U.S. Attorneys not to enforce the federal marijuana laws against actors who are compliant with state laws, provided enumerated enforcement priorities were not implicated. The rescission of this memo and other Obama-era prosecutorial guidance did not create a change in federal law as the Cole Memorandums were never legally binding; however, 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. The federal government of the United States has always reserved the right to enforce federal law regarding the sale and disbursement of medical or recreational marijuana, even if state law sanctioned such sale and disbursement. Although the rescission of the above memorandums does not necessarily indicate that marijuana industry prosecutions are now affirmatively a priority for the DOJ, there can be no assurance that the federal government will not enforce such laws in the future.

Additionally, there can be no assurance 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. It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that could make it extremely difficult or impossible to transact business in the cannabis industry. If the federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, the Company's business would be materially and adversely affected. Federal actions against any individual or entity engaged in the marijuana industry or a substantial repeal of marijuana related legislation could adversely affect the Company and its business.

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 (Staff Notice 51-352) setting out their 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. The Company views this staff notice favourably, as it provides increased transparency and greater certainty regarding the views of its exchange and its regulator of existing operations and strategic business plan as well as the Company's ability to pursue further investment and opportunities in the United States.

The Company's funding of its subsidiaries through loans, royalties or other forms of investment, may be illegal under the applicable federal laws of the United States and other applicable law. There can be no assurances the federal government of the United States or other jurisdictions will not seek to enforce the applicable laws against the Company. The consequences of such

enforcement would be materially adverse to the Company and the Company's business and could result in the forfeiture or seizure of all or substantially all of the Company's assets.

The concepts of "medical cannabis" and "retail cannabis" do not exist under United States federal law because the U.S. Controlled Substances Act classifies "marijuana" 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. As such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis remain illegal under United States federal law. Although the Company's 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 the Company of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company. Any such proceedings brought against the Company may adversely affect the Company's operations and financial performance.

Violations of any United States federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the United States federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Company, including its reputation and ability to conduct business, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Company to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

There is still uncertainty surrounding the Trump Administration and Attorney General Jeff Sessions and their influence and policies in opposition to the cannabis industry as a whole.

Many factors could cause the Company's actual results, performances and achievements to differ materially from those expressed or implied by the disclosure herein, including, without limitation, the following factors which should be reviewed in detail by all readers:

- The Company's subsidiaries are operating in the United States, where cannabis is federally illegal;
- The activities of the Company are subject to evolving regulation that is subject to changes by governmental authorities;
- Third parties with which the Company does business, including banks and other financial intermediaries, may perceive that they are exposed to legal and reputational risk because of the Company's cannabis business activities;
- The Company's ability to repatriate returns generated from investments in the U.S. may be limited by anti-money laundering laws;
- Federal prohibitions result in marijuana businesses being potentially restricted from accessing the U.S. federal banking system, and the Company and its subsidiaries may have difficulty

depositing funds in federally insured and licensed banking institutions. This may lead to further related issues, such as the potential that a bank will freeze the Company's accounts and risks associated with uninsured deposit accounts. There is no certainty that Company will be able to maintain its existing accounts or obtain new accounts in the future; and

- Although the TMX MOU confirms that there is currently no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States, there can be no guarantee that this approach to regulation will continue in the future.

Risks Concerning Application of Anti-Money Laundering Legislation

The Company is subject to a variety of laws and regulations domestically and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the U.S. Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada. Further, under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering, aiding and abetting, or conspiracy.

Despite these laws, FinCEN issued a memorandum on February 14, 2014 outlining the pathways for financial institutions to bank marijuana businesses in compliance with federal enforcement priorities (the "FinCEN Memorandum"). The FinCEN Memorandum states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws. It refers to supplementary guidance that Deputy Attorney General Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the United States Controlled Substances Act on the same day (the "2014 Cole Memo"). The 2014 Cole Memo has been rescinded as of January 4, 2018, along with the Cole Memorandum, removing guidance that enforcement of applicable financial crimes was not a DOJ priority.

Attorney General Sessions' revocation of the Cole Memorandum and the 2014 Cole Memo has not affected the status of the FinCEN Memorandum, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself. Though it was originally intended for the 2014 Cole Memo and the FinCEN Memorandum to work in tandem, the FinCEN Memorandum appears to remain in effect as a standalone document which explicitly lists the eight enforcement priorities originally cited in the rescinded Cole Memorandum. Although the FinCEN Memorandum remains intact, indicating that the Department of the Treasury and FinCEN intend to continue abiding by its guidance, it is unclear whether the current administration will continue to follow the guidelines of the FinCEN Memorandum.

The Company's business, and any proceeds thereof, are considered proceeds of crime due to the fact that cannabis remains illegal federally in the United States. This restricts the ability of the Company to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while the Company has no current intention to declare or pay dividends on its shares in the foreseeable future, the Company may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Risk of Heightened Scrutiny by Regulatory Authorities in Canada

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

Although the TMX MOU has confirmed that there is currently no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of Shares to make and settle trades. In particular, the Shares would become highly illiquid as until an alternative was implemented, investors would have no ability to effect a trade of the Shares through the facilities of a stock exchange.

Government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, the United States or elsewhere. A negative shift in the public's perception of medical cannabis in the United States or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause state jurisdictions to abandon initiatives or proposals to legalize medical cannabis, thereby limiting the number of new state jurisdictions into which the Company could expand. Any inability to fully implement the Company's expansion strategy may have a material adverse effect on the Company's business, financial condition and results of operations.

Unlike in Canada which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical cannabis under the Access to Cannabis for Medical Purposes Regulations, investors are cautioned that in the United States, cannabis is largely regulated at the state level. To the Company's knowledge, there are to date a total of 46 states, plus the District of Columbia, that have legalized cannabis in some form. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a controlled substance under the CSA in the United States and as such, may be in violation of federal law in the United States.

As previously stated, the United States Congress has passed appropriations bills (currently the "Leahy Amendment") each of the last four years to prevent the federal government from using congressionally appropriated funds to enforce federal marijuana laws against regulated medical marijuana actors operating in compliance with state and local law. The 2018 Consolidated Appropriations Act was passed by Congress on March 23, 2018 and included the re-authorization of the Leahy Amendment. It will continue in effect until September 30, 2018. American courts have construed these appropriations bills to prevent the federal government from prosecuting individuals when those individuals comply with state medical cannabis laws. However, because this conduct continues to violate federal law, American courts have observed that should Congress at any time choose to appropriate funds to fully prosecute the CSA, any individual or business—even those that have fully complied with state law—could be prosecuted for violations of federal law. If Congress restores funding, for example by declining to include the Leahy Amendment in the 2019 budget resolution, or by failing to pass necessary budget legislation and causing another government shutdown, the government will have the authority to prosecute individuals for violations of the law before it lacked funding under the five-year statute of limitations applicable to non-capital CSA violations. Additionally, it is important to note that the

appropriations protections only apply to medical cannabis operations and provide no protection against businesses operating in compliance with a state's recreational cannabis laws.

As previously stated, violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Company, including its reputation and ability to conduct business, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Company to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

The approach to the enforcement of cannabis laws may be subject to change or may not proceed as previously outlined.

Prohibitions in California on 'for profit' activities of the Company

Until the implementation of MAUCRSA earlier this year, it was illegal under California law to engage in any "for profit" activities relating to the purchase and sale of cannabis and to sell, distribute or purchase cannabis for any reason other than certain medical uses. Despite the implementation of MAUCRSA, many municipalities still prohibit such 'for profit' activities. Such limitations often result in inefficiencies in operations and use of resources and could hinder, or otherwise prevent, the growth of the Company's business and of a commercially viable cannabis industry in California.

While the Company intends that one or more of its subsidiaries will be service-providers, and the Company does not consider such services as restricted from being "for profit" activities, there is no assurance that this structure will be respected by applicable governmental authorities. In the event that this structure is not respected, the Company may be prohibited from engaging in "for profit" activities in certain jurisdictions.

California has legalized the sale of cannabis for medical use outside of cooperatives or collectives for both medical and adult-use and as a for-profit business activity, and MAUCRSA provides a one-year grace period for cooperatives and collectives. The permanent regulations governing the operation of cannabis-related businesses have not been promulgated. Accordingly, there is no way to currently anticipate what the legal climate surrounding the Company's anticipated business plan will be at any point in the future and there is no assurance that the Company will operate profitably or generate revenues or profits that will permit the payment of dividends.

The Company is regularly monitoring changes to applicable law and will timely respond to ensure that it remains compliant in all circumstances.

Change in Laws, Regulations and Guidelines

The Company's current and proposed operations are subject to a variety of laws, regulations and guidelines, including, but not limited to, those relating to the manufacture, management, transportation, storage and disposal of cannabis, as well as laws and regulations relating to health

and safety (including those for consumable products), the conduct of operations and the protection of the environment. These laws and regulations are broad in scope and subject to evolving interpretations. If any changes to such laws, regulations and guidelines occur, which are matters beyond the control of the Company, the Company may incur significant costs in complying with such changes or it may be unable to comply therewith, which in turn may result in a material adverse effect on the Company's business, financial condition and results of operation. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the Company's business plan and result in a material adverse effect on certain aspects of its planned operations.

Changes in regulations, more vigorous enforcement thereof, the imposition of restrictions on the Company's ability to operate in the U.S. as a result of the federally illegal nature of cannabis in the U.S. or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Permits and Authorizations

There is no assurance that the Company will obtain and retain any relevant licenses, including the Permits. If obtained, the Permits will be subject to ongoing compliance and reporting requirements. Failure by the Company to comply with the requirements of the Permits or any failure to maintain the Permits would have a material adverse impact on the business, financial condition and operating results of the Company. The failure of the Company to receive the Permits could, among other things, delay or prevent the Company from becoming profitable.

Additionally, the completion of the Distribution Facility is subject to the ability of LDS Devco and TCMD to obtain the necessary building permits, local business licenses and other local approvals. There can be no certainty that the Permits and any other approvals will be granted, or if granted, will be granted within the proposed timeframe or on terms expected by the Company.

Enforceability of Contracts

Because the Company's contracts involve cannabis and other activities that are not legal under U.S. federal law and in some jurisdictions, the Company may face difficulties in enforcing its contracts in U.S. federal and certain state courts.

Unfavourable Publicity or Consumer Perception

The regulated cannabis industry in the United States and Canada is at an early stage of its development. The Company believes the medical and recreational cannabis industry is highly dependent on consumer perception regarding the safety and efficacy of recreational and medical cannabis. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis are mixed and evolving. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the

demand for cannabis and on the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding cannabis in general, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect on the business of the Company. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

Public opinion and support for medical and recreational cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. Legalization of medical and recreational cannabis remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, legalization of medical marijuana as opposed to legalization in general).

Limited Operating History

The Company and its subsidiaries were only recently incorporated and have no history of significant operations which makes it difficult for investors to evaluate the Company's operations and prospects and may increase the risks associated with an investment into the Company.

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

Costs Relating to Development of Operations

The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure, including the Distribution Facility, and growth and for regulatory compliance, which could have a material adverse impact on the Company's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. The Company's efforts to grow its business may be costlier than expected. The Company may incur significant losses in the future for a number of reasons, including the other risks described in this prospectus, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If the Company is unable to achieve and sustain profitability, the market price of the Shares may significantly decrease.

There are factors which may prevent the Company from the realization of growth targets. The Company is currently in the expansion from early development stage. The Company's growth strategy contemplates building the Distribution Facility and seeking additional distribution facility space. There is a risk that these additional resources will not be achieved on time, on

budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these “*Risk Factors*” and the following:

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

Competition

The Company competes with other companies for financing and business opportunities in the cannabis industry. Some of these companies may possess greater financial resources than the Company. Such competition may result in the Company being unable to enter into desirable strategic agreements or similar transactions, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations. Existing or future competition in the cannabis industry, including, without limitation, the entry of large multinational entities into the industry, could materially adversely affect the Company’s prospects for entering into additional agreements in the future.

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

Banking

Since the production and possession of cannabis is currently illegal under U.S. federal law, it is possible that banks may refuse to open bank accounts for the deposit of funds from businesses involved with the cannabis industry. The inability to open bank accounts with certain institutions could materially and adversely affect the business of the Company.

Currency Fluctuations

The Company’s revenues and expenses are expected to be primarily denominated in U.S. dollars, and therefore may be exposed to significant currency exchange fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets.

Fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar may have a material adverse effect on the Company's business, financial condition and operating results.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements or management agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. In addition, the Company's lean management structure may be strained as the Company pursues growth opportunities in the future. The loss of the services of such individuals or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Company's ability to execute on its business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all.

The Company's future success depends substantially on the continued services of its executive officers, its key research and development personnel and its key growth and extraction personnel. If one or more of its executive officers or key personnel were unable or unwilling to continue in their present positions, the Company might not be able to replace them easily or at all. In addition, if any of its executive officers or key employees joins a competitor or forms a competing company, the Company may lose know-how, key professionals and staff members. These executive officers and key employees could compete with and take customers away.

Illegal or Fraudulent Activities of Employees

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates: (i) government regulations; (ii) distribution standards; or (iii) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition and results of operations

Insurance Coverage

The Company does not currently have insurance coverage. Additionally, because the Company operates within the cannabis industry, there are additional difficulties and complexities associated with insurance coverage. The Company intends that it and its subsidiaries will obtain insurance coverage with respect to workers' compensation, general liability, directors' and officers' insurance, fire and other similar policies customarily obtained for businesses to the extent commercially appropriate; however, because the Company is engaged in and operates within the cannabis industry, there are likely to be exclusions and additional difficulties and complexities

associated with any such insurance coverage that could cause the Company to suffer uninsured losses, which could adversely affect the Company's business, results of operations, and profitability. There is no assurance that the Company will be able to fully utilize such insurance coverage, if necessary. Until such time as the Company obtains insurance coverage, it faces exposure to all forms of losses relating to liabilities, worker's compensation, fire and other general liabilities.

Operational Risks

The Company may be affected by a number of operational risks and may not be adequately insured for certain risks, including: labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's facilities, personal injury or death, environmental damage, adverse impacts on the Company's operations, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on the Company's future cash flows, earnings and financial condition on the Company. Also, the Company may be subject to or affected by liability or sustain loss for certain risks and hazards against which it may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Cybersecurity Risks

The Company has entered into agreements with third parties for the licensing of certain software in connection with its operations. The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Holding Company

The Company is a holding company and essentially all of its assets are the capital stock of its material subsidiaries. As a result, investors in the Company are subject to the risks attributable to its subsidiaries. Consequently, the Company's cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of its subsidiaries and

investments and the distribution of those earnings to Company. The ability of these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of the Company's material subsidiaries, holders of indebtedness and trade creditors may be entitled to payment of their claims from the assets of those subsidiaries before the Company.

Conflicts of Interest

Certain of the Company's directors and officers are, and may continue to be, involved in other business ventures through their direct and indirect participation in, among other things, corporations, partnerships, joint ventures, that may become potential competitors of the technologies, products and services the Company intends to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Company's interests. In accordance with applicable corporate law, directors who have a material interest in or who are parties to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the transaction. In addition, the directors and officers are required to act honestly and in good faith with a view to the Company's best interests. However, in conflict of interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Company. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Company.

PROMOTERS

Except as disclosed below, the Company has no promoters other than its directors and officers. See "*Directors and Officers*" for information concerning the number of Shares held by the directors and officers and their experience. No assets have been acquired or are to be acquired by the Company from the directors and officers. Other than as described in this Prospectus, no promoter of the Company has received or will receive anything of value, including money, property, contracts, options or rights of any kind from the Company in respect of acting as a promoter of the Company. Please see "*Executive Compensation*" for additional information concerning compensation paid to directors and to Named Executive Officers.

Mr. James Pakulis is considered to be a Promoter within the meaning of the *Securities Act* (British Columbia) for his role in substantially founding and organizing the Company. The Company has not acquired any assets from or entered into contractual relations with Mr. Pakulis, except for subscription agreements for Shares entered into with the Company or in relation to executive compensation.

Mr. James Pakulis has acquired 1,500,000 Shares pursuant to a subscription agreement at a price of \$0.005 per Share, which Shares, prior to the exercise of any warrants or options held by Mr. Pakulis, represent 12.47% of the issued and outstanding Shares as at the date of this Prospectus. Mr. Pakulis will also be granted options to acquire 400,000 Shares of the Company pursuant to the Stock Option Plan and has been issued, pursuant to the Consulting Agreement, warrants to acquire a further 750,000 Shares of the Company.

Mr. Pakulis has also entered into the Consulting Agreement with the Company for his services as the Company's President and Chief Executive Officer pursuant to which Mr. Pakulis receives a fee of \$19,000 per month, which shall be reduced to \$12,000 per month on August 1, 2018, and will be reimbursed for certain expenses. Please see "*Executive Compensation*".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no legal proceedings that the Company is or was a party to, or to its knowledge that any of its property interests is or was the subject of, and no such legal proceedings are known by the Company to be contemplated.

Regulatory Actions

There are no penalties or sanctions imposed against the Company by a court or a regulatory authority and the Company has not entered into any settlement agreements before a court or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors and officers hold Shares, warrants and will be granted options to purchase Shares. See "*Directors, Officers and Promoters*", "*Options to Purchase Securities*" and "*Executive Compensation*". Save and except for their interest in the subscription for treasury shares and as disclosed in "*Executive Compensation*", the directors, officers and principal shareholders of the Company, or any associate or affiliate of the foregoing, have had no material interest, direct or indirect, in any transactions in which the Company has participated within the three year period prior to the date of this Prospectus, or will have any material interest in any proposed transaction, which has materially affected or will material affect the Company.

Certain officers and directors of the Company are also officers and directors of other cannabis related companies. See "*Risk Factors – Conflicts of Interest*"

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

The Company is not a related or connected party (as such terms are defined in National Instrument 33- 105 *Underwriting Conflicts*) to the Agent.

AUDITOR, REGISTRAR AND TRANSFER AGENT

The auditor of the Company is Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, Suite 1500-1140 West Pender Street, Vancouver British Columbia V6E 4G1. The registrar and transfer agent of the Shares of the Company and the Warrant Agent in respect of the Warrants is Odyssey Trust Company., 835 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

MATERIAL CONTRACTS

The following are the material contracts of the Company or its affiliates entered into since its incorporation:

- (a) Assignment Agreement dated April 28, 2018 between GF and The Goodfellas Group LLC, as amended. See “*Description of the Business – Three Year History*”.
- (b) FROR Agreement dated November 15, 2017 between the Company, TCMD and James Pakulis. See “*Corporate Structure – Intercorporate Relationships*”.
- (c) License Agreement dated November 15, 2017 between LDS and the Company, as amended. See “*Description of the Business – Three Year History*”.
- (d) Management Agreement dated November 15, 2017 between TCMI and TCMD. See “*Description of the Business – Three Year History*”.
- (e) Escrow Agreement dated June 6, 2018 among the Company, the Escrow Agent and certain shareholders of the Company. See “*Escrowed Securities*”.
- (f) Agency Agreement dated [REDACTED] among the Company and the Agent. See “*Plan of Distribution*”.

The material contracts described above may be inspected at the offices of Armstrong Simpson, Suite 2080, 777 Hornby Street, Vancouver, British Columbia during normal business hours during the period of the primary distribution of the Shares being distributed under this prospectus and for a period of thirty days thereafter.

EXPERTS

Experts

The following persons or companies whose profession or business gives authority to a statement made by the person or company are named in the Prospectus as having prepared or certified a part of that document, report, statement or opinion described in the Prospectus:

- (1) The information in this Prospectus under the headings “*Summary of Prospectus – Eligibility for Investment*” and “*Eligibility for Investment*” has been included in reliance of the opinion of S. Paul Simpson Law Corporation, counsel to the Company; and
- (2) The audited financial statements of the Company included with this Prospectus have been subject to audit by Dale Matheson Carr-Hilton LaBonte LLP, and their audit report is included therein.

Based on information provided by the relevant persons in paragraphs 1 and 2 above, none of such persons or companies have received or will receive direct or indirect interests in the assets of the Company or have any beneficial ownership, direct or indirect, of securities of the Company.

Dale Matheson Carr-Hilton LaBonte LLP, the Company’s auditors, report that they are independent of the Company in accordance with the Professional Rules of Conduct of the Chartered Professional Accountants of British Columbia.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to the securities being distributed that are not otherwise disclosed in this prospectus, or are necessary in order for the

prospectus to contain full, true and plain disclosure of all material facts relating to the Company and securities being distributed.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

LIST OF EXEMPTIONS

The Company has not applied for or received any exemption from National Instrument 41-101, "General Prospectus Requirements", regarding this Prospectus or the distribution of its securities under this Prospectus.

LEGAL MATTERS

Certain legal matters in connection with this Offering will be passed upon by S. Paul Simson Law Corporation, by Clyde Snow, Attorneys at Law in relation to the Company's operations in the United States, all on behalf of the Company, and by DuMoulin Black LLP, on behalf of the Agent. As at the date hereof, the partners and associates of S. Paul Simpson Law Corporation, as a group, the partners and associates of Clyde Snow, as a group, and the partners and associates of McCullough O'Connor Irwin LLP, as a group, each beneficially own, directly or indirectly, less than one percent of the outstanding Shares of the Company.

FINANCIAL STATEMENTS

Attached to and forming a part of this Prospectus are the audited financial statements of the Company for the period from incorporation on October 26, 2017 until November 30, 2017 and for the five-month period from December 1, 2017 to April 30, 2018.

SIGNIFICANT ACQUISITIONS

The Company has not completed any significant acquisitions since incorporation.

TRANSCANNA HOLDINGS INC.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

April 30, 2018



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Directors of TransCanna Holdings Inc.

We have audited the accompanying consolidated financial statements of TransCanna Holdings Inc., which comprise the consolidated statements of financial position as at April 30, 2018 and November 30, 2017, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the five month period ended April 30, 2018 and for the period from October 26, 2017 (date of incorporation) to November 30, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of TransCanna Holdings Inc. as at April 30, 2018 and November 30, 2017 and its financial performance and its cash flows for the five month period ended April 30, 2018 and for the period from October 26, 2017 (date of incorporation) to November 30, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements, which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about TransCanna Holdings Inc.'s ability to continue as a going concern.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
June __, 2018

TRANSCANNA HOLDINGS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	April 30,	November 30,
	2018	2017
ASSETS		
CURRENT		
Cash	\$ 185,893	\$ 80,600
Sales tax receivable	6,991	–
Advances receivable (Note 8)	113,825	–
Prepaid expenses (Note 11)	155,006	24,144
TOTAL CURRENT ASSETS	461,715	104,744
Computer hardware (Note 5)	32,382	–
Software license agreement (Note 4)	63,820	63,820
TOTAL ASSETS	\$ 557,917	\$ 168,564
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 59,213	\$ 8,818
Due to related parties (Note 6)	–	6,105
TOTAL CURRENT LIABILITIES	59,213	14,923
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	786,000	210,000
Reserves	165,000	135,000
Share Subscriptions (Note 7)	75,000	–
Deficit	(526,452)	(191,359)
Accumulated other comprehensive loss	(844)	–
TOTAL SHAREHOLDERS' EQUITY	498,704	153,641
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 557,917	\$ 168,564

Approved on behalf of the Board of Directors on June ____, 2018:

“Jim Pakulis”

Director

“Greg Ball”

Director

The accompanying notes are an integral part of these consolidated financial statements

TRANSCANNA HOLDINGS INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Five Months Ended April 30, 2018	October 26, 2017 (date of incorporation) to November 30, 2017
EXPENSES		
Advertising and promotion	\$ 49,622	\$ –
Audit and accounting (Note 6)	27,766	3,182
Consulting (Note 6)	15,000	3,182
Investor relations	63,098	8,975
Legal	55,648	8,590
Management fees (Note 6)	95,000	19,500
Meals and entertainment	7,366	5,613
Office and miscellaneous	3,810	2,504
Registration and transfer fees	3,905	203
Share based payments (Note 6)	–	135,000
Travel	14,593	4,610
Operating expenses	(335,808)	(191,359)
Foreign exchange	(758)	–
Interest income	1,473	–
Loss for the period	(335,093)	(191,359)
Other comprehensive loss		
Foreign exchange translation	(844)	–
Total comprehensive loss for the period	\$ (335,937)	\$ (191,359)
Net loss per share, basic and diluted	\$ (0.04)	\$ (0.97)
Weighted average number of shares outstanding	8,445,298	197,000

The accompanying notes are an integral part of these consolidated financial statements

TRANSCANNA HOLDINGS INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period from October 26, 2017 (date of incorporation) to April 30, 2018
(Expressed in Canadian dollars)

	Number of shares	Share Capital	Share Subscriptions	Reserves	Deficit	Accumulated Other Comprehensive Loss	Total
Balance, date of incorporation	–	\$ –	–	\$ –	–	\$ –	–
Shares issued for cash	6,900,000	210,000	–	135,000	–	–	345,000
Net loss for the period	–	–	–	–	(191,359)	–	(191,359)
Balance, November 30, 2017	6,900,000	210,000	–	135,000	(191,359)	–	153,641
Shares issued for cash	3,120,000	606,000	–	–	–	–	606,000
Equity units issued as finders' fees	60,000	(30,000)	–	30,000	–	–	–
Share subscriptions received	–	–	75,000	–	–	–	75,000
Foreign currency translation adjustments	–	–	–	–	–	(844)	(844)
Net loss for the period	–	–	–	–	(335,093)	–	(335,093)
Balance, April 30, 2018	10,080,000	\$ 786,000	\$ 75,000	\$ 165,000	\$ (526,452)	\$ (844)	\$ 498,704

The accompanying notes are an integral part of these consolidated financial statements

TRANSCANNA HOLDINGS INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the five months ended April 30, 2018	From October 26, 2017 (date of incorporation) to November 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (335,093)	\$ (191,359)
Items not affecting cash		
Accrued interest	(1,473)	–
Share based payments	–	135,000
Unrealized foreign exchange	319	
Changes in non-cash working capital items		
Sales tax receivable	(6,991)	–
Prepaid expenses	(130,862)	(24,144)
Accounts payable and accrued liabilities	49,637	8,818
Due to related parties	(6,105)	6,105
Net cash used in operating activities	(430,568)	(65,580)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares	606,000	210,000
Subscriptions to shares	75,000	–
Net cash from financing activities	681,000	210,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Computer hardware	(32,382)	–
Software license agreement	–	(63,820)
Advances receivable	(112,671)	–
Net cash used in investing activities	(145,053)	(63,820)
Effects of foreign currency exchange	(86)	–
Change in cash during the period	105,293	80,600
Cash, beginning of the period	80,600	–
Cash, end of the Period	\$ 185,893	\$ 80,600

The accompanying notes are an integral part of these consolidated financial statements

TRANSCANNA HOLDINGS INC.
Notes to the Consolidated Financial Statements
For the five months ended April 30, 2018

1. NATURE AND CONTINUANCE OF OPERATIONS

TransCanna Holdings Inc. (the “Company” or “TransCanna”) was incorporated on October 26, 2017, under the Business Corporations Act (British Columbia). The Company’s planned principal business activity will be the management of transportation and distribution services in the state of California which includes, but is not limited, to transportation and distribution of cannabis related products. The Company’s head office is located at 820 – 1130 West Pender Street, Vancouver, British Columbia, V6E 4A4, Canada.

As of the date of these consolidated financial statements, the Company’s structure is represented by TransCanna Holdings Inc., parent company incorporated pursuant to the provision of the Business Corporations Act (British Columbia), and the following subsidiaries:

Name	Incorporation	Incorporation/ Acquisition Date	Interest	Function
TransCanna Management Inc. (TCMI)	USA	October 23, 2017	100%	Management services
GF Group Inc. (GFG)	USA	March 29, 2018	100%	Marketing and branding services

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company’s ability to realize its assets and discharge its liabilities is dependent upon the Company obtaining the necessary financing and ultimately upon its ability to achieve profitable operations. These material uncertainties cast significant doubt on the Company’s ability to continue as a going concern.

Failure to arrange adequate financing on acceptable terms and/or achieve profitability may have an adverse effect on the financial position, results of operations, cash flows and prospects of the Company. These consolidated financial statements do not give effect to adjustments to assets or liabilities that would be necessary should the Company be unable to continue as a going-concern. These adjustments could be material.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These financial statements were authorized for issue on June 20, 2018 by the Directors of the Company.

Statement of Compliance and Basis of Presentation

These consolidated financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements include the accounts of the Company and its subsidiaries, TCMI and GFG. All intercompany transactions and balances between the subsidiary and TransCanna have been eliminated on consolidation.

Basis of Measurement and Use of Estimates

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. All amounts are expressed in Canadian dollars, the Company’s functional currency.

TRANSCANNA HOLDINGS INC.
Notes to the Consolidated Financial Statements
For the five months ended April 30, 2018

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (Continued)

Foreign currency translation

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Currency translations:

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign operations:

The financial results and position of TCMI and GFG, each having the United States dollar as their functional currency, are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of TCMI and GFG are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve in equity.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include: the useful lives of technology, fair value of the License, fair value measurements for financial instruments, recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

Significant Judgments

The most significant judgment in applying the Company's accounting policies in the preparation of consolidated financial statements concerns the assessment of the carrying values of its tangible and intangible assets. If it is determined that carrying values of assets cannot be recovered, the unrecoverable amounts are charged against current earnings. Recoverability is dependent upon assumptions and judgments regarding market conditions, costs of production and sustaining capital requirements. Other assumptions used in the calculation of recoverable amounts are discount rates, and future cash flows. A material change in assumptions may significantly impact the potential impairment of these assets.

Other significant judgments in applying the Company's accounting policies relate to the assessment of the Company's ability to continue as a going concern (Note 1), functional currency determinations and the classification of its financial instruments.

TRANSCANNA HOLDINGS INC.
Notes to the Consolidated Financial Statements
For the five months ended April 30, 2018

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing such financial assets in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Financial assets classified as loans and receivables consist of cash and advances receivable.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of comprehensive loss. The Company has no financial assets classified as held-to-maturity investments.

Financial instruments

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive loss. The Company has no financial assets classified as available-for-sale.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred or acquired:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing such financial liabilities in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss. The Company has no financial liabilities classified as fair value through profit or loss.

Other financial liabilities - This category includes accounts payable, accrued liabilities, unearned revenue, advances payable and amounts due to related parties, all of which are recognized initially at fair value and subsequently at amortized cost.

TRANSCANNA HOLDINGS INC.
Notes to the Consolidated Financial Statements
For the five months ended April 30, 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets

The Company assesses at the end of each reporting period whether a financial asset is impaired.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, however the increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

Transaction costs

The costs related to equity transactions are deferred until the closing of the equity transactions. These costs are accounted for as a deduction from equity. Transaction costs of abandoned equity transactions are expensed in the statement of comprehensive loss.

Loss per share

Loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive. Diluted loss per share is equal to the basic loss per share as net losses were reported during the periods presented.

TRANSCANNA HOLDINGS INC.
Notes to the Consolidated Financial Statements
For the five months ended April 30, 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets

Separately acquired intellectual property and technological assets are recorded at historical cost. Intellectual property and technological assets acquired in a business combination are recognized at fair value at the acquisition date. Technological assets have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of the items over their estimated useful lives of 5 years.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets, against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

New accounting standards and interpretations issued but not yet adopted

IFRS 9, Financial Instruments – Classification and Measurement: Effective for annual periods on or after January 1, 2018. IFRS 9 is a new standard of financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is measured at fair value through profit or loss.

IFRS 15, Revenue from Contracts with Customers: This new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

IFRS 16, Leases: This new standard replaces IAS 17 “Leases” and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15.

TRANSCANNA HOLDINGS INC.
Notes to the Consolidated Financial Statements
For the five months ended April 30, 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)
New accounting standards and interpretations issued but not yet adopted (Continued)

Management is currently assessing the impact of these new standards on the Company's accounting policies and financial statement presentation.

4. LICENSE AND ROYALTY AGREEMENT

On November 15, 2017, the Company entered into an Intellectual Property License and Royalty Agreement (the "Royalty Agreement") with Lifestyle Delivery Systems Inc. ("LDS"), a company related by virtue of common management and a common director, for the nonexclusive rights to utilize LDS's "Track and Trace" software for a period of five years. The Company is permitted to sublease the software to its subsidiaries and affiliates. TransCanna paid LDS an initial license fee of \$50,000 US (\$63,820 CDN). On February 20, 2018 the Royalty Agreement was amended to include a payment of 9% of the outstanding shares of the Company immediately prior to the Company's initial public offering. On May 2, 2018, the Company issued 1,028,077 common shares representing 9% of the outstanding shares. On June 5, 2018, the Company issued 54,396 common shares to LDS representing 9% of the shares issued since May 2, 2018.

5. COMPUTER HARDWARE

		Amount
Balance at November 30, 2017	\$	–
Purchases		32,382
Amortization		–
Balance April 30, 2018	\$	32,382

The Company has yet to record amortization on the computer hardware acquired during the period as it is not yet available for the use for which it is intended.

6. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

Key management compensation for the five month period ended April 30, 2018 includes the following:

- \$95,000 in management fees were paid or accrued to the CEO of the Company (November 30, 2017: \$19,500)
- \$30,000 in accounting and consulting fees were paid or accrued to a company controlled by a director of the Company. (November 30, 2017: \$6,000)

As at April 30, 2018, there were \$Nil balances owed to directors or management of the Company (November 30, 2017: \$6,105).

During the period from October 27, 2017 (date of incorporation) to November 30, 2017, the Company issued 1,500,000 common shares to the Company's CEO for proceeds totaling \$7,500. The excess of the fair value of these share over the proceeds received in the amount of \$67,500 was recognized in the consolidated statement of comprehensive loss for the period.

During the five months ended April 30, 2018, the Company expensed legal fees of \$22,197 in the Statement of Comprehensive Loss that were incurred on behalf of a company controlled by directors and considered not recoverable.

TRANSCANNA HOLDINGS INC.
Notes to the Consolidated Financial Statements
For the five months ended April 30, 2018

7. CAPITAL STOCK

Common Shares

Authorized: unlimited number of common voting shares without nominal or par value.

During the five months ended April 30, 2018, the Company:

- issued 2,160,000 common shares at a price of \$0.10 for total proceeds of \$216,000.
- issued 360,000 common shares at a price of \$0.25 for total proceeds of \$90,000.
- issued 600,000 units at a price of \$0.50 (the "\$0.50 Unit") for total proceeds of \$300,000. Each \$0.50 Unit consisted of one common share of the Company and one common share purchase warrant entitling the holder to purchase one additional common share at a price of \$1.00 per share for a period ending on April 20, 2020. In connection with this tranche, the Company issued 60,000 finder's units on substantially the same terms as the \$0.50 Units. The fair value of the finder's units was estimated to be \$30,000.

During the period from October 26, 2017 (date of incorporation) to November 30, 2017, the Company:

- issued 1 share for proceeds of \$1 on incorporation
- issued 3,000,000 common shares at a price of \$0.005 per share for total gross proceeds of \$15,000 to insiders. The shares issued had a grant date fair value of \$0.05 per share, with the resultant difference of \$135,000 included in share based payments and contributed surplus.
- issued 3,900,000 common shares at a price of \$0.05 per share for total gross proceeds of \$195,000.

Share Subscriptions

As at April 30, 2018, the Company had received proceeds of \$75,000 in respect of subscriptions for 150,000 equity units at a price of \$0.50 per unit. These units were issued subsequent to April 30, 2018. (Note 12).

Share Purchase Warrants

As at April 30, 2018, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
660,000	\$ 1.00	April 20, 2020

8. ADVANCES RECEIVABLE

On February 23, 2018, the Company signed a promissory note with Flo Distribution, LLC for \$54,532 US (\$70,313 CDN) ("Flo Distro Note"). The principal advanced under the Flo Distro Note will have an effective interest rate of 10.47%. It is unsecured and matures on October 31, 2018. Interest of \$991 US (\$1,276 CDN) has been accrued on this loan.

On April 13, 2018, the Company signed a 90-day promissory note with SuperBad for \$33,000 US (\$42,358 CDN) ("SuperBad Note"). The principal advanced under the SuperBad Note accumulates interest at 10% per annum for an effective interest rate of 10.52%. It is unsecured and matures on July 13, 2018. Interest of \$154 US (\$197 CDN) has been accrued on this loan. Interest accrued under the SuperBad Note is subject to a minimum monthly payments of \$250.

TRANSCANNA HOLDINGS INC.
Notes to the Consolidated Financial Statements
For the five months ended April 30, 2018

8. ADVANCES RECEIVABLE (Continued)

The advances receivable are summarized as follows:

		Five months ended April 30, 2018		October 26, 2017 (date of incorporation) to November 30, 2017
Balance, beginning of period	\$	-	\$	-
Advances		112,671		-
Interest income		1,473		-
Effect of foreign exchange		(319)		-
Balance, end of period	\$	113,825	\$	-

9. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has not generated any revenue and cash flows since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The capital structure of the Company currently consists of common shares. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any externally imposed capital requirements.

10. FINANCIAL INSTRUMENTS

Financial Instrument risks:

(a) Fair Values

The fair values of financial instruments, which include cash, advances receivable, accounts payable and amounts due to related parties approximate their carrying values due to the relatively short-term to maturity of these instruments.

(b) Credit risk

Financial instruments that subject the Company to credit risk consist of advances receivable which are from private companies that are in the development stage. Credit risk relating to these receivables is considered high.

(c) Liquidity risk

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure. As at April 30, 2018, the Company had cash of \$185,893 to settle current financial liabilities of \$59,213. The Company will need to source funds from either loans or private placements to meet other obligations as they arise.

TRANSCANNA HOLDINGS INC.
Notes to the Consolidated Financial Statements
For the five months ended April 30, 2018

10. FINANCIAL INSTRUMENTS (Continued)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not significantly exposed to interest rate risk as at April 30, 2018.

(e) Foreign exchange risk

As at April 30, 2018, the Company is exposed to foreign exchange risk on its advances receivable in the amount of \$112,671 (US\$ 87,532) as well as accounts payable of \$48,857 (US\$ 38,062) which are denominated in US dollars.

	April 30, 2018		November 30, 2017	
Advances receivable denominated in US dollars	\$	112,671	\$	-
Accounts payable denominated in US dollars		(48,857)		(1,598)
		63,814		(1,598)
Effect of a 10% change in the exchange rate	\$	6,381	\$	160

11. COMMITMENT

On February 23, 2018, the Company advanced \$50,000 US (\$64,470 CDN) to GoodFellas Group LLC (“Goodfellas”) as a down payment on an assignment of contracts from Goodfellas to the Company. On April 28, 2018, GFG entered into an assignment agreement with Goodfellas. The assignment agreement assigns 26 Branding Agreements to GFG for a cash consideration of \$300,000 US.

12. INCOME TAX

A reconciliation of income taxes at statutory rate is as follows:

	Five months ended		October 26, 2017	
	April 30, 2018		(date of	
			incorporation) to	
			November 30, 2017	
Net loss for the period	\$	(335,093)	\$	(191,359)
Statutory income tax rate		26%		26%
Expected income tax recovery		(87,000)		(50,000)
Permanent difference		1,000		-
Share issue cost		(7,000)		-
Change in unrecognized deductible temporary differences		93,000		50,000
Income tax recovery	\$	-	\$	-

TRANSCANNA HOLDINGS INC.
Notes to the Consolidated Financial Statements
For the five months ended April 30, 2018

12. INCOME TAX (Continued)

The significant components of deferred tax assets that have not been included on the statements of financial position are as follows:

	Five months ended April 30, 2018	October 26, 2017 (date of incorporation) to November 30, 2017
Deferred tax assets:		
Share issue costs	\$ 6,000	\$ -
Non-capital losses available for future period	137,000	50,000
	143,000	50,000
Unrecognized deferred tax assets	(143,000)	(50,000)
	\$ -	\$ -

The Company has approximately \$525,000 of non-capital losses which may be carried forward to offset future taxable income until 2038.

13. SUBSEQUENT EVENT

On May 1, 2018, 300,000 units at \$0.50 per unit were issued for gross proceeds of \$150,000. Each unit consists of one common share and one share purchase warrant exercisable at \$1.00 per share for a period of two years from the closing date of the private placement. There were 15,000 units were issued at a fair value of \$0.50 per unit as a finder's fee having the same terms as the units issued in the private placement. (Note 7)

On May 28, 2018, 400,000 units at \$0.50 per unit were issued for gross proceeds of \$200,000. Each unit consists of one common share and one share purchase warrant exercisable at \$1.00 per share for a period of two years from the closing date of the private placement. There were 40,000 units were issued at a fair value of \$0.50 per unit as a finder's fee having the same terms as the units issued in the private placement.

On June 4, 2018, 100,000 units at \$0.50 per unit were issued for gross proceeds of \$50,000. Each unit consists of one common share and one share purchase warrant exercisable at \$1.00 per share for a period of two years from the closing date of the private placement. There were 10,000 units were issued at a fair value of \$0.50 having the same terms as the units issued in the private placement.

On May 17, 2018, the Company's CEO agreed to reduce his salary by \$7,000 per month to \$12,000 per month effective August 1, 2018. As compensation for this reduction, Mr. Pakulis was awarded 750,000 share purchase warrants exercisable at \$0.50 to be exercisable on achieving certain sales targets. The warrants are exercisable for a period of three years from the date the Company's shares are listed on a recognized stock exchange. 250,000 warrants can be exercised on achieving \$1,000,000 in sales; a further 250,000 warrants can be exercised on achieving \$2,000,000 in sales; and the final 250,000 warrants can be exercised on achieving \$3,000,000 in sales.

APPENDIX “A”

AUDIT COMMITTEE CHARTER

1.0 Purpose of the Committee

1.1 The Audit Committee represents the Board in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of the Company and its subsidiaries.

2.0 Members of the Committee

2.1 The Audit Committee shall consist of no less than three Directors a majority of whom shall be "independent" as defined under NI 52-110, while the Company is in the developmental stage of its business. The members of the Committee shall be selected annually by the Board and shall serve at the pleasure of the Board.

2.2 At least one Member of the Audit Committee must be "financially literate" as defined under NI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

3.0 Meeting Requirements

3.1 The Audit Committee will, where possible, meet on a regular basis at least once every quarter, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically and shall be at such times and places as the Audit Committee determines. Without meeting, the Audit Committee may act by unanimous written consent of all members which shall constitute a meeting for the purposes of this charter.

3.2 A majority of the members of the Audit Committee shall constitute a quorum.

4.0 Duties and Responsibilities

4.1 The Audit Committee's function is one of oversight only and shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements. Specifically, the Audit Committee will:

- (a) have the authority with respect to the appointment, retention or discharge of the independent public accountants as auditors of the Company (the "auditors") who perform the annual audit in accordance with applicable securities laws, and who shall be ultimately accountable to the Board through the Audit Committee;

- (b) review with the auditors the scope of the audit and the results of the annual audit examination by the auditors, including any reports of the auditors prepared in connection with the annual audit;
- (c) review information, including written statements from the auditors, concerning any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;
- (d) review and discuss with management and the auditors the Company's audited financial statements and accompanying MD&A, including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles and report on them to the Board;
- (e) review and discuss with management the Company's interim financial statements and interim MD&A and report on them to the Board;
- (f) pre-approve all auditing services and non-audit services provided to the Company by the auditors to the extent and in the manner required by applicable law or regulation. In no circumstances shall the auditors provide any non-audit services to the Company that are prohibited by applicable law or regulation;
- (g) evaluate the external auditor's performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board;
- (h) periodically review the adequacy of the Company's internal controls and ensure that such internal controls are effective;
- (i) review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on the Company's financial reports, and report on them to the Board;
- (j) oversee and annually review the Company's Code of Business Conduct and Ethics;
- (k) approve material contracts where the Board of Directors determines that it has a conflict;
- (l) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding the audit or other accounting matters;
- (m) where unanimously considered necessary by the Audit Committee, engage independent counsel and/or other advisors at the Company's expense to advise on material issues affecting the Company which the Audit Committee considers are not appropriate for the full Board;
- (n) satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulation relating to insider trading, continuous disclosure and financial reporting;

- (o) review and monitor all related party transactions which may be entered into by the Company; and
- (p) periodically review the adequacy of its charter and recommending any changes thereto to the Board.

5.0 *Miscellaneous*

5.1 Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Audit Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Audit Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

By Order of the Board of Directors

June 22, 2018
Vancouver, British Columbia

(Signed) "*James Pakulis*"
Chief Executive Officer
Transcanna Holdings Inc.

(Signed) "*Greg Ball*"
Chief Financial Officer
Transcanna Holdings Inc.

(Signed) "*Joao DaCosta*"
Director
Transcanna Holdings Inc.

(Signed) "*Juan Flores*"
Director
Transcanna Holdings Inc.

CERTIFICATE OF THE PROMOTERS

To the best of my knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

June 22, 2018
Vancouver, British Columbia

(Signed) "*James Pakulis*"
James Pakulis

CERTIFICATE OF THE AGENT

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

June 22, 2018
Vancouver, British Columbia

HAYWOOD SECURITIES INC.

“Don Wong”

Vice President, Investment Banking