*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus (the "**Prospectus**") constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended and, subject to certain exemptions, may not be offered or sold in the U.S.*

PROSPECTUS

Initial Public Offering January 16, 2018

CANNABIS GROWTH OPPORTUNITY CORPORATION

Minimum: $5,000,000 of Units

Maximum: $75,000,000 of Units

This Prospectus qualifies the distribution of up to 30,000,000 units (the "**Units**") in the capital of Cannabis Growth Opportunity Corporation (the "**Corporation**") at an offering price of $2.50 per Unit (the "**Offering**"). Each Unit consists of one common share (each, a "**Common Share**") and one Common Share purchase warrant (each, a "**Warrant**") in the capital of the Corporation. The Units issued pursuant to the Offering will separate into Common Shares and Warrants immediately after closing of the Offering. Each Warrant will entitle the holder thereof to purchase one Common Share of the Corporation at a price of $2.50, subject to adjustment, on or prior to 5:00 p.m. (Toronto time) on the date that is the earlier of (i) 24 months following the Closing Date (as defined herein), and (ii) the date specified in any Warrant Acceleration Notice (as defined herein) delivered in accordance with the terms of the Warrant Indenture (as defined herein) (the "**Expiry Time**"). Warrants not exercised by the Expiry Time will be void and of no value.

The Corporation is an investment corporation which was incorporated under the laws of Canada. The Corporation's investment objectives are to provide holders of Common Shares (the "**Shareholders**") long-term total return through capital appreciation by investing in an actively managed portfolio (the "**Portfolio**") of securities of public and private companies operating in, or that derive a significant portion of their revenue or earnings from, products or services related to the cannabis industry. See "Investment Objectives" and "Investment Strategy".

CGOC Management Corp. (the "**Manager**") will act as the manager and promoter of the Corporation and will provide all management services required by the Corporation. The Corporation will make investment decisions with respect to the Private Portfolio (as defined herein) and StoneCastle Investment Management Inc. (the "**Investment Manager**") will act as the Corporation's investment manager with respect to the Public Portfolio (as defined herein). See "Organization and Management Details of the Corporation".

Price: $2.50 per Unit

	Price to the Public	**Agents' Fee[(1)]**	**Net Proceeds to the Corporation[(2)]**
Per Unit……..	$2.50	$0.1375	$2.3625
Minimum Offering[(3)]…….	$5,000,000	$275,000	$4,725,000
Maximum Offering[(4)]……	$75,000,000	$4,125,000	$70,875,000

Notes:

(1) The Corporation has agreed to pay the Agents (as defined herein) a cash commission equal to 5.5% of the gross proceeds of the Offering (the "**Agents' Fee**"), and to grant the Agents compensation options (the "**Agents' Options**") equal in number to 5.5% of the number of Units sold under the Offering. Each Agents' Option will entitle the Agents to purchase one Unit, at an exercise price equal to $2.50 per Unit for a period of 24 months from the Closing Date (as defined herein). In the event that the Agents' Options are not exercised prior to the Expiry Time, the Agents will only be entitled to receive the Common Shares underlying the Units upon any subsequent exercise of the Agents' Option. The

Warrants underlying the Units issuable upon exercise of the Agents' Option will be void and of no value at the Expiry Time. The terms of the Offering were determined by negotiation between the Agents and the Manager, on behalf of the Corporation.

(2) After deducting the Agents' Fee in respect of the Offering, but before deducting the expenses of the Offering, estimated to be $450,000 in the case of the Minimum Offering (as defined herein) and $750,000 in the case of the Maximum Offering (as defined herein), which will be paid by the Corporation from the proceeds of the Offering.

(3) There will be no closing unless a minimum of 2,000,000 Units are sold pursuant to the Offering. The distribution under this Offering will not continue for a period of more than 90 days after the date of the receipt obtained from the principal securities regulatory authority for this Prospectus. If one or more amendments to this Prospectus are filed and the principal securities regulatory authority has issued a receipt for any such amendment, the distribution under this Offering will not continue for a period of more than 90 days after the latest date of a receipt for any such amendment. In any case, the total period of distribution under the Offering will not continue for a period of more than 180 days from the date of the receipt for this Prospectus. If the Minimum Offering is not achieved during the 90-day period, subscription funds received by the Agents (which will be held by the Agents in trust) will be returned to the applicable subscribers without any deductions, unless the applicable subscribers have otherwise instructed the Agents.

(4) The Corporation has granted to the Agents an over-allotment option, exercisable for a period of 30 days from the Closing Date (as defined herein), to purchase up to an additional 15% of the aggregate number of Units issued on the Closing Date on the same terms as set forth above solely to cover over-allocations, if any (the "**Over-Allotment Option**"). If the Over-Allotment Option is exercised in full under the Maximum Offering, the price to the public, Agents' Fee and net proceeds to the Corporation, before expenses of the Offering, will be $86,250,000, $4,743,750 and $81,506,250, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Agents' over-allocation position acquires such Units under this Prospectus, regardless of whether the Agents' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

The Canadian Securities Exchange ("**CSE**") has conditionally approved the listing of the Common Shares and Warrants. Listing of the Common Shares and Warrants is subject to the Corporation fulfilling all of the requirements of the CSE.

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

There is no guarantee that an investment in the Corporation will earn any positive return in the short or long term nor is there any guarantee that the investment objectives will be achieved. An investment in the Corporation involves a degree of risk and is appropriate only for investors who have the capacity to absorb investment losses. See "Risk Factors" for a discussion of certain factors that should be considered by prospective purchasers of Units.

This is a "blind pool" offering. The Investment Manager has identified issuers the Corporation will acquire for the Public Portfolio (as defined herein) with initially not less than 50% of the net proceeds from this Offering but the unallocated portion of the net proceeds of the Offering will be applied to purchase securities of public and private cannabis companies selected by the Corporation and the Investment Manager. The Portfolio will be actively managed to seek to meet the Corporation's investment objectives and therefore the composition of the Portfolio will vary from time to time based on the Corporation's and the Investment Manager's assessment of market conditions and the availability of suitable securities and will differ substantially from the Indicative Portfolio (as defined herein). Prospective purchasers who are not willing to rely on the discretion and judgment of the Corporation, the Manager and the Investment Manager should not subscribe for Units. See "Risk Factors."

Eight Capital, Canaccord Genuity Corp., Haywood Securities Inc., Mackie Research Capital Corporation, Beacon Securities Limited, PI Financial Corp. and Velocity Trade Capital Ltd. (collectively, the "**Agents**"), as agents, conditionally offer the Units on a best efforts basis, subject to prior sale, if, as and when issued by the Corporation and accepted by the Agents in accordance with the conditions contained in the Agency Agreement (as defined herein), and subject to the approval of certain Canadian legal matters on behalf of the Corporation and the Manager by Blake, Cassels & Graydon LLP and on behalf of the Agents by Wildeboer Dellelce LLP. See "Plan of Distribution".

Registration and transfers of Units will be effected only through the book entry only system administered by CDS Clearing and Depository Services Inc. ("**CDS**"). A purchaser of Units will receive only a customer confirmation from the registered

dealer which is a CDS participant and from or through which Units are purchased. Beneficial owners of Units will not have the right to receive physical certificates evidencing their ownership of such securities. See "Plan of Distribution".

In this Prospectus, unless otherwise indicated, all references to dollar amounts are expressed in Canadian dollars. Closing of the Offering is expected to occur on or about January 26, 2018.

The following person resides outside of Canada and has appointed the following agent for service of process:

Name of Person or Company	Name and Address of Agent for Service
Nick J. Richards	Blakes Extra-Provincial Services Inc., 199 Bay Street, Toronto, Ontario, Canada M5L 1A9

Purchasers are advised that it may not be possible for investors to enforce judgements obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

On January 4, 2018, U.S. Attorney General Jeff Sessions issued a memorandum to U.S. district attorneys which rescinded previous guidance from the U.S. Department of Justice specific to cannabis enforcement in the United States, including the Cole Memorandum (as defined herein). With the Cole Memorandum rescinded, U.S. federal prosecutors no longer have guidance relating to the exercise of their discretion in determining whether to prosecute cannabis related violations of U.S. federal law. On January 12, 2018, the Canadian Securities Administrators issued a statement that they are considering whether the disclosure-based approach for issuers with U.S. marijuana-related activities remains appropriate in light of the rescission of the Cole Memorandum. As a result, the Corporation provided an undertaking to the Canadian Securities Administrators which provides that the Corporation will limit its investments in the Public Portfolio and the Private Portfolio to entities that are not engaged in any U.S. marijuana-related activities (as such term is defined in CSA Staff Notice 51-352 – *Issuers with U.S. Marijuana-Related Activities*), until such time as the Canadian Securities Administrators communicate a position regarding issuers with U.S. marijuana-related activities (the "Undertaking"). See "Risk Factors Related to the United States".

Canada has regulated medical use and commercial activity involving cannabis and recently released Bill C-45, which proposes the enactment of the *Cannabis Act*, to regulate the production, distribution and sale of cannabis for unqualified adult use. On November 27, 2017, the House of Commons passed Bill C-45 and on December 20, 2017, the Prime Minister communicated that the Canadian Federal Government intends to legalize cannabis in the summer of 2018, despite previous reports of a July 1, 2018 deadline. The Corporation will not be directly engaged in the manufacture, importation, possession, use, sale or distribution of cannabis in the recreational cannabis marketplace in either Canada or the United States.

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FORWARD-LOOKING STATEMENTS

Certain statements, other than statements of historical fact, contained in this Prospectus constitute "forward-looking information" within the meaning of Canadian securities laws and are based on expectations, estimates and projections as of the date on which the statements are made in this Prospectus. Forward-looking statements include, without limitation, statements with respect to:

(i) the completion of the Offering and receipt of all regulatory approvals in connection therewith;

(ii) the use of the net proceeds of the Offering;

(iii) the availability of investment opportunities;

(iv) the performance of the Corporation's business and operations;

(v) applicable laws, regulations and any amendments thereof including, but not limited to, the legalization of cannabis and the timing thereto;

(vi) the competitive and business strategies of the Corporation;

(vii) statements related to the effect and consequences of certain regulatory initiatives;

(viii) the expected growth of the cannabis sector;

(ix) the competitive conditions of the industry;

(x) the Corporation's investments in the U.S. and consequences of those investments under U.S. federal law; and

(xi) the anticipated changes to laws regarding the recreational use of cannabis and the business impacts on the Corporation.

The words "plans", "expects", "scheduled", "budgeted", "projected", "estimated", "timeline", "forecasts", "anticipates", "suggests", "indicative", "intend", "guidance", "outlook", "potential", "prospects", "seek", "strategy", "targets" or "believes", or variations of such words and phrases or statements that certain future conditions, actions, events or results "will", "may", "could", "would", "should", "might" or "can", or negative versions thereof, "be taken", "occur", "continue" or "be achieved", and other similar expressions, identify forward-looking statements. Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by management as of the date on which the statements are made in this Prospectus, are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being incorrect. In addition to the various factors and assumptions set forth in this Prospectus, the material factors and assumptions used to develop the forward-looking information include, but are not limited to: general economic, financial market, regulatory and political conditions in which the Corporation operates will continue to improve; the Corporation will be able to compete in the industry; the Corporation will be able to make investments on suitable terms; issuers in the Portfolio will be able to meet their objectives and financial estimates and that the risk factors noted below, collectively, do not have a material impact on the Corporation.

By its nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. Known and unknown risk factors, many of which are beyond the control of the Corporation could cause actual results to differ materially from the forward-looking information in this Prospectus. Such factors, without limitation, include the following, which are discussed in greater detail in the "Risk Factors" section of this Prospectus: there is no assurance that the Corporation will be able to achieve its investment objectives; risks relating to the Portfolio issuers; risks relating to medical cannabis; risks relating to risk and timing of legalization of recreational cannabis; regulatory risks; risks relating to

the performance of the Portfolio issuers; risks relating to the valuation of the Portfolio; risks relating to the licensing process; no current market for Common Shares or Warrants; risks relating to recent and future global financial developments; industry concentration risks; risks associated with investment in illiquid and private securities; risk factors related to U.S. cannabis legislation; changes to the cannabis laws; United States anti-money laundering laws and regulations; investments in U.S. cannabis sector; short selling; use of the Prime Broker (as defined herein) to hold assets; sensitivity to interest rates; reliance on the Manager and Investment Manager; conflicts of interest; risks related to dilution; loss of investment; risks relating to currency exposure; risks relating to foreign market exposure; lack of operating history; and tax risks. These risk factors are not intended to represent a complete list of the factors that could affect the Corporation and investors are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment in the Units.

INFORMATION REGARDING PUBLIC INFORMATION

Certain information contained in this Prospectus relating to publicly traded securities, the issuers of those securities and the sector in which the Corporation will invest is taken from and based solely upon information published by those issuers or other public sources. None of the Corporation, the Manager, the Investment Manager or the Agents have independently verified the accuracy or completeness of any such information.

ABOUT THIS PROSPECTUS

In order to address certain securities regulatory or public interest policy objectives, the Corporation will voluntarily adopt a number of measures that will define its business and the scope of its operations. These voluntary measures include:

(a) the Corporation will not invest more than 10% of its total assets in securities of any single issuer other than securities issued or guaranteed by the government of Canada or a province or territory thereof or securities issued or guaranteed by the U.S. government or its agencies and instrumentalities;

(b) any change to the investment restrictions of the Corporation shall acquire approval by way of an Extraordinary Resolution;

(c) at least 90% of the net proceeds from this Offering will be set aside and invested in accordance with the Corporation's investment objectives and investment strategy;

(d) although the Corporation is not a non-redeemable investment fund under Canadian securities laws, it will nonetheless voluntarily provide in its management's discussion and analysis ("**MD&A**") required by National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") certain disclosure only required to be provided by investment funds pursuant to Form 81-101F2, specifically: (i) item 3(5) with respect to fundamental changes of the Corporation (including in respect of the Corporation's investment objectives or the Manager); (ii) item 4(1) with respect to investment restrictions (including details of the Corporation's investment objectives); (iii) item 10 with respect to the Manager; and (iv) item 13 (including a summary of the management and performance fees in the form required by item 3.6 of Form 41-101F2); and

(e) the Board (as defined herein) will consist of a majority of independent directors in accordance with the recommendation of the Canadian securities regulatory authorities set forth in section 3.1 of National Policy 58-201 – *Corporate Governance Guidelines*.

ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Wildeboer Dellelce LLP, counsel to the Agents, based on the current provisions of the Tax Act, the Common Shares, Warrant Shares (as defined herein) and the Warrants, if issued on the date hereof, would be on such date a qualified investment for a trust governed by a Plan provided that:

(i) in the case of the Common Shares and Warrant Shares the Corporation qualifies (or is deemed to qualify) as a "public corporation" (as defined in the Tax Act) or the Common Shares and Warrant Shares are listed on a designated stock exchange in Canada for the purposes of the Tax Act (which currently includes the CSE); and

(ii) in the case of the Warrants:

a. the Warrants are listed on a designated stock exchange for purposes of the Tax Act (which currently includes the CSE); or

b. the Warrant Shares are qualified investments as described in (i) above, provided that the Corporation is not, and deals at arm's length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Plan.

Notwithstanding the foregoing, if the Common Shares, Warrant Shares or the Warrants are a "prohibited investment" (as defined in the Tax Act) for a trust governed by a TFSA, RESP, RDSP, RRSP or RRIF, the holder, subscriber or annuitant thereof will be subject to a penalty tax as set out in the Tax Act. Securities will not be a prohibited investment for a TFSA, RESP, RDSP, RRSP or RRIF provided the holder, subscriber or annuitant of such Plan, as the case may be, (i) deals at arm's length with the Corporation, for purposes of the Tax Act, and (ii) does not have a "significant interest" (as defined in the Tax Act) in the Corporation. Generally, a holder, subscriber or annuitant will have a significant interest in the Corporation if the holder, subscriber or annuitant, alone or together with persons and partnerships not dealing at arm's length with the holder, subscriber or annuitant, owns 10% or more of the fair market value of the securities. In addition, Common Shares and Warrant Shares will not be a "prohibited investment" if the securities are "excluded property" as defined in the Tax Act for trusts governed by a TFSA, RESP, RDSP, RRSP and RRIF.

Prospective purchasers who intend to hold Common Shares, Warrant Shares or Warrants in a TFSA, RRSP, RRIF, RDSP or RESP are advised to consult their personal tax advisors.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Reference is made to the "Glossary of Terms" for the meanings of defined terms used in this summary. Potential investors should read the entire Prospectus and not rely solely on the contents of this summary, which does not contain full, true and plain disclosure of all material facts relating to the Units.

Issuer: Cannabis Growth Opportunity Corporation (the "**Corporation**") is an investment corporation which was incorporated under the laws of Canada on October 29, 2017. See "The Corporation".

Offering: The Corporation is offering units of the Corporation (the "**Units**") at a subscription price of $2.50 per Unit. Each Unit consists of one common share in the capital of the Corporation (each, a "**Common Share**") and one Common Share purchase warrant in the capital of the Corporation (each, a "**Warrant**"). The Units issued pursuant to the Offering will separate into Common Shares and Warrants immediately after the closing of the Offering and will trade separately. Each Warrant will entitle the holder thereof to purchase one Common Share of the Corporation at a price of $2.50, subject to adjustment, at any time before 5:00 p.m. (Toronto time) on the date that is the earlier of (i) 24 months following the Closing Date, and (ii) the date specified in any Warrant Acceleration Notice delivered in accordance with the terms of the Warrant Indenture (the "**Expiry Time**"). Warrants not exercised by the Expiry Time will be void and of no value.

Issue Size: Minimum Offering: $5,000,000 (2,000,000 Units).

Maximum Offering: $75,000,000 (30,000,000 Units).

Price: $2.50 per Unit.

Minimum Purchase: $1,000 (400 Units).

Investment Objectives: The Corporation's investment objectives are to provide Shareholders long-term total return through capital appreciation by investing in an actively managed Portfolio of securities of public and private companies operating in, or that derive a significant portion of their revenue or earnings from, products or services related to the cannabis industry.

See "Investment Objectives".

Investment Strategy: To seek to achieve its investment objectives, the Corporation will invest in an actively managed Portfolio of securities of public and private companies operating in, or that derive a significant portion of their revenue or earnings from, products or services related to the cannabis industry.

As a result of recent changes, the Corporation provided an undertaking to the Canadian Securities Administrators which provides that the Corporation will limit its investments in the Public Portfolio and the Private Portfolio to entities that are not engaged in any U.S. marijuana-related activities (as such term is defined in CSA Staff Notice 51-352 – *Issuers with U.S. Marijuana-Related Activities*), until such time as the Canadian Securities Administrators communicate a position regarding issuers with U.S. marijuana-related activities (the "**Undertaking**").

The Corporation will be invested primarily in publicly traded Equity Securities (the "**Public Portfolio**"), but may also invest up to 40% (determined at the time of investment) of the Corporation's total assets in private equity investments (the "**Private Portfolio**"). The Corporation expects that the following issuers would initially form part of the Public Portfolio (the "**Indicative Portfolio**"): Canopy Growth Corporation, MedReleaf Corp., Cannimed Therapeutics Inc., Cronos Group Inc., The Hydropothecary Corporation, Organigram Holdings Inc., Supreme Pharmaceuticals Inc., DOJA Cannabis Company Limited, Emerald Health Therapeutics, Inc., Harvest One Cannabis Inc., Maricann Group Inc. and Village Farms International Inc. StoneCastle Investment Management Inc. (the "**Investment Manager**") will be

responsible for all investment decisions for the Public Portfolio.

Through the Private Portfolio, the Corporation will seek to enhance returns and provide investors with a unique opportunity to obtain access to private investments and acquisition candidates in the cannabis sector. The Corporation will have access to such opportunities through the Manager's and Investment Manager's select deal flow partners and deep industry relationships, which opportunities will ultimately require approval from the Investment Committee. The goal of the Private Portfolio is to provide investors with access to private investments which the Corporation believes will become liquid either by a public listing or through a disposition within 12-24 months and which exhibit strong growth and the potential for profitability. The Corporation will be responsible for all investment decisions for the Private Portfolio with Bruce Campbell, the Corporation's Chief Investment Officer, being principally responsible for the investment management of the Private Portfolio.

In keeping with the Corporation's active management strategy, the Portfolio composition will vary over time depending on the Corporation's and the Investment Manager's assessment of overall market conditions, opportunities and outlook including the allocation between the Public Portfolio and the Private Portfolio which will be determined by the Corporation. Generally, however, the Corporation will seek to invest approximately 60% of its total assets in the Public Portfolio and 40% of its total assets in the Private Portfolio. In all cases, percentage of investment is measured at cost at the time of investment.

See "Investment Strategy".

Leverage:

The Corporation may obtain leverage of up to 25% of the fair market value of the Public Portfolio by way of a margin facility or by other means. Initially, the Corporation is not expected to employ leverage but may ultimately do so to pursue further investments in the Portfolio.

See "Investment Strategy — Leverage".

Short Selling:

The Corporation may short securities from time to time for investment purposes or for hedging and risk management purposes. Short exposure in the Portfolio, for purposes other than hedging, will not exceed 20% of the total assets of the Corporation on a daily marked-to-market basis. Short selling will be used to the extent the Investment Manager believes it is necessary to dampen overall portfolio risk or if the Investment Manager believes there is an opportunity to generate returns. The degree of short selling will depend on the Investment Manager's assessment of market conditions.

See "Investment Strategy — Short Selling".

Use of Proceeds:

The net proceeds of the Offering will be used to purchase securities for the Portfolio following the Closing Date and for general operating purposes. The Corporation will invest at least 75% of the net proceeds of the Offering in accordance with the Corporation's investment strategy within 36 months of the Closing Date, except where the Board determines, acting reasonably and in good faith, that satisfying such a commitment would result in a breach of the Board's fiduciary duties as directors under applicable corporate law or the Manager's or Investment Manager's duty to the Corporation. As the Portfolio will be actively managed, the Corporation may hold cash and cash equivalents from time to time depending on the Corporation's and the Investment Manager's assessment of market conditions.

See "Use of Proceeds".

Organization and Management of the Corporation:

Manager and Promoter

CGOC Management Corp. (the "**Manager**") is the manager of the Corporation and is responsible for the provision of management services required by the Corporation including providing the officers and certain directors of the Corporation. The Manager's head office is located at 240 Richmond Street West, Suite 4163, Toronto, Ontario, M5V 1V6.

The Manager may be considered a promoter of the Corporation within the meaning of securities legislation of certain provinces and territories of Canada by reason of its initiative in organizing

the Corporation.

See "Organization and Management Details of the Corporation — The Manager" and "Promoter".

Investment Manager

StoneCastle Investment Management Inc. is a Kelowna-based investment management company. The Investment Manager will be responsible for the investment decisions for the Public Portfolio.

See "Organization and Management Details of the Corporation — The Investment Manager".

Prime Broker

CIBC World Markets Inc. located in Toronto, Ontario, will act as the prime broker for the Corporation.

See "Organization and Management Details of the Corporation — Prime Broker".

Auditors

The auditor of the Corporation is MNP LLP.

See "Auditor".

Registrar, Transfer and Warrant Agent

Odyssey Trust Company will provide the Corporation with registrar, transfer and dividend agency services in respect of the Common Shares and will also act as the Warrant Agent in respect of the Warrants, in each case from its principal offices in Toronto, Ontario.

See "Registrar and Transfer Agent" and "Description of Securities — Warrants".

Agents:

The Corporation has engaged Eight Capital, Canaccord Genuity Corp., Haywood Securities Inc., Mackie Research Capital Corporation, Beacon Securities Limited, PI Financial Corp. and Velocity Trade Capital Ltd. (collectively, the "**Agents**"), as agents, to offer the Units for sale to the public.

Pursuant to the Agency Agreement, the Agents have agreed to offer the Units for sale, as agents of the Corporation, on a best efforts basis, if, as and when issued by the Corporation. The Agents will receive a fee equal to $0.1375 for each Unit sold and will be reimbursed for out-of-pocket expenses incurred by them. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of its fees. While the Agents have agreed to use its best efforts to sell the Units offered hereby, the Agents will not be obligated to purchase Units which are not sold.

The Corporation has granted to the Agents compensation options (the "**Agents' Options**") equal to 5.5% of the number of Units sold under the Offering. Each Agents' Option will entitle the Agents to purchase one Unit, at an exercise price equal to $2.50 per Unit for a period of 24 months from the Closing Date. In the event that the Agents' Options are not exercised prior to the Expiry Time, the Agents will only be entitled to receive the Common Shares underlying the Units upon any subsequent exercise of the Agents' Option. The Warrants underlying the Units issuable upon exercise of the Agents' Option will be void and of no value at the Expiry Time. This Prospectus also qualifies the grant of the Agents' Options and the distribution of the Units issuable on the exercise of the Agents' Options.

The Corporation has also granted the Agents an over-allotment option, exercisable for a period of 30 days from the Closing Date, to purchase up to an additional 15% of the aggregate number of Units issued on the Closing Date on the same terms as set forth above solely to cover over-allocations, if any (the "**Over-Allotment Option**"). If the Over-Allotment Option is exercised in full under the Maximum Offering, the price to the public, Agents' Fee and net proceeds to the Corporation, before expenses of the Offering, will be $86,250,000, $4,743,750 and $81,506,250,

respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Agents' over-allocation position acquires such Units under this Prospectus, regardless of whether the Agents' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

See "Plan of Distribution".

Risk Factors:

An investment in Units is subject to certain risks factors, including: there is no assurance that the Corporation will be able to achieve its investment objectives; risks relating to the Portfolio issuers; risks relating to medical cannabis; risks relating to risk and timing of legalization of recreational cannabis; regulatory risks; risks relating to the performance of the Portfolio issuers; risks relating to the valuation of the Portfolio; risks relating to the licensing process; no current market for Common Shares or Warrants; risks relating to recent and future global financial developments; industry concentration risks; risks associated with investment in illiquid and private securities; risk factors related to U.S. cannabis legislation; changes to the cannabis laws; United States anti-money laundering laws and regulations; investments in U.S. cannabis sector; short selling; use of the Prime Broker to hold assets; sensitivity to interest rates; reliance on the Manager and Investment Manager; conflicts of interest; risks related to dilution; loss of investment; risks relating to currency exposure; risks relating to foreign market exposure; lack of operating history; and tax risks.

For a more complete discussion of the risks associated with an investment in Units, see "Risk Factors".

SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses payable by the Corporation.

Type of fee	Amount and Description
Agents' Fee:	$0.1375 per Unit (5.5%)
Expenses of the Offering:	The Corporation will pay the reasonable expenses incurred in connection with the Offering, estimated to be $450,000 in the case of the Minimum Offering and $750,000 in the case of the Maximum Offering, which will be paid by the Corporation from the proceeds of the Offering.
Management Fee:	Annual management fee of 1.0% of the market capitalization of the Corporation based on the daily volume-weighted average price of the Common Shares calculated and accrued daily and paid by the Corporation to the Manager monthly in arrears (the "**Management Fee**"). The Manager will pay the Investment Manager and the officers and directors of the Corporation (other than the independent directors) out of the Management Fee.
Performance Fee:	As soon as practicable following the final Business Day of each calendar quarter (each such date, a "**Performance Fee Payment Date**" and each such period, a "**Performance Fee Period**"), the Manager shall be entitled to a quarterly performance fee (the "**Performance Fee**") payable by the Corporation equal to 20% of the amount by which the sum of (i) the "weighted average market price" of the Common Shares on the CSE (or such other principal market on which the Common Shares are quoted for trading) during the 15 trading days preceding the end of the Performance Fee Period, plus (ii) distributions, if any, on such Common Shares during such period, exceeds 101.25% of the Threshold Amount (the "**Hurdle Rate**"). The Threshold Amount will be the greater of (i) $2.60; and (ii) the weighted average market price of the Common Shares during the 15 trading days preceding the Performance Fee Payment Date in the last quarter in which a Performance Fee was paid. For the period from the Closing Date to the end of such quarter, the Hurdle Rate will be reduced proportionately to reflect the number of days remaining in the quarter from the Closing Date to end of that quarter. In the event that new Common Shares are issued, the Hurdle Rate applicable to the Performance Fee payable with respect to those Common Shares will be reduced proportionately to reflect the number of days remaining in that quarter and the Threshold Amount in respect of such Common Shares for that quarter will be the greater of (i) the issue price of the Common Shares; and (ii) the then current Threshold Amount.
Operating Expenses:	The Corporation will reimburse the Manager for all reasonable and necessary actual out-of-pocket costs and expenses paid by the Manager in connection with the performance of the services described in the Management Agreement, as well as certain specified expenses ancillary to the operations of the Manager, including travel on behalf of the Corporation and office space and services.

GLOSSARY OF TERMS

"**ACMPR**" means the *Access to Cannabis for Medical Purposes Regulations*;

"**affiliate**" means an affiliate as defined under National Instrument 45-106 – *Prospectus Exemptions*, as replaced or amended from time to time (including any successor rule or policy thereto), subject to the terms "person" and "issuer" in each instrument being ascribed the same meaning as "person" herein;

"**Agency Agreement**" means an agreement dated as of January 16, 2018 among the Corporation, the Manager and the Agents, as described in "Plan of Distribution — Agency Agreement", below;

"**Agents**" means Eight Capital, Canaccord Genuity Corp., Haywood Securities Inc., Mackie Research Capital Corporation, Beacon Securities Limited, PI Financial Corp. and Velocity Trade Capital Ltd.;

"**Agents' Fee**" means a fee, equal to 5.5% of the aggregate purchase price of the Units sold under the Offering;

"**Agents' Options**" has the meaning given to it under the heading "Description of the Securities — Agents' Options";

"**Board**" means the board of directors of the Corporation;

"**Business Day**" means any day which is not a Saturday, Sunday or statutory holiday in the province of Ontario;

"**Cannabis Issuers**" means issuers operating in, or that derive a significant portion of their revenue or earnings from, products or services related to the cannabis industry, provided that a determination by the Corporation or the Investment Manager that an issuer is a Cannabis Issuer shall be conclusive for all purposes herein;

"**CBCA**" means the *Canada Business Corporations Act*, as amended from time to time;

"**CDS**" means the CDS Clearing and Depository Services Inc.;

"**CDS Participant**" has the meaning given to it under the heading "Purchase of Securities — Procedure";

"**Closing Date**" means the closing date of the Offering, which is expected to occur on or about January 26, 2018 but in any event not later than 90 days after a receipt for this Prospectus is issued;

"**Code of Conduct**" has the meaning given to it under the heading "Audit Committee, Investment Committee and Corporate Governance — Corporate Governance";

"**Cole Memorandum**" has the meaning given to it under the heading "Risk Factors — Cannabis Laws may be Subject to Change";

"**Common Shares**" means the common shares of the Corporation and, for greater certainty, includes Warrant Shares;

"**Corporation**" means Cannabis Growth Opportunity Corporation;

"**CRA**" means the Canada Revenue Agency;

"**CSE**" means the Canadian Securities Exchange;

"**Equity Securities**" means any securities that represent an interest in an issuer which includes common shares, and securities convertible into or exchangeable for common shares, provided that a determination by the Manager that a security is an equity security shall be conclusive for all purposes herein;

"**Exchange Agent**" has the meaning given to it under the heading "Purchase of Securities — Procedure";

"**Exchange Eligible Holders**" has the meaning given to it under the heading "Purchase of Securities — Determination of Exchange Ratio";

"**Expiry Time**" means the earlier of (a) 24 months following the Closing Date, and (b) the date specified in any Warrant Acceleration Notice delivered in accordance with the terms of the Warrant Indenture;

"**Extraordinary Resolution**" means a resolution passed by the affirmative vote of at least 66⅔% of the votes cast, either in person or by proxy, at a meeting of Shareholders called for the purpose of approving such resolution;

"**IFRS**" means the International Financial Reporting Standards;

"**Investment Committee**" has the meaning given to it under the heading "Audit Committee, Investment Committee and Corporate Governance — Investment Committee".

"**Investment Management Agreement**" means an agreement dated the date hereof among the Corporation, the Manager and the Investment Manager pursuant to which the Investment Manager will provide certain investment management services to the Corporation;

"**Investment Manager**" means StoneCastle Investment Management Inc., the investment manager of the Portfolio;

"**IRS**" means the U.S. Internal Revenue Service;

"**Management Agreement**" means an agreement dated the date hereof between the Corporation and the Manager pursuant to which the Manager will provide certain management services to the Corporation;

"**Management Fee**" has the meaning given to it under the heading "Organization and Management Details of the Corporation — The Management Agreement";

"**Manager**" means CGOC Management Corp., the manager of the Corporation pursuant to the Management Agreement;

"**Maximum Offering**" means the offering of a maximum of $75,000,000 of Units;

"**Minimum Offering**" means the offering of at least $5,000,000 of Units;

"**MMAR**" means the *Marihuana Medical Access Regulations*;

"**MMPR**" means the *Marihuana for Medical Purposes Regulations*;

"**Offering**" means the offering of up to $75,000,000 of Units;

"**OTC Issuer**" means an issuer that has issued a class of securities that are OTC-quoted securities and has not issued any class of securities that are listed or quoted on a designated stock exchange as identified by the Department of Finance;

"**Over-Allotment Option**" means the option granted by the Corporation to the Agents exercisable for a period of 30 days from the Closing Date to purchase up to 15% of the aggregate number of Units issued on the Closing Date on the same terms as the Offering.

"**person**" includes any individual, firm, partnership, limited partnership, limited liability partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, trust, unincorporated association or organization, governmental authority, syndicate or other entity, whether or not having legal status, however designated or constituted;

"**Plans**" means RRSPs, RDSPs, RESPs, TFSAs, RRIFs and deferred profit sharing plans as defined in the Tax Act, and "Plan" means any of them;

"**Portfolio**" means the Corporation's investment portfolio, as constituted from time to time;

"**Pricing Period**" has the meaning given to it under the heading "Purchase of Securities — Determination of Exchange Ratio";

"**Prime Broker**" means CIBC World Markets Inc., acting as the prime broker and custodian of the Portfolio securities and certain other assets of the Corporation pursuant to the Prime Brokerage Agreement;

"**Prime Brokerage Agreement**" means an agreement to be entered into among the Corporation, the Manager and the Prime Broker pursuant to which the Prime Broker will provide certain prime brokerage services to the Corporation;

"**Prospectus**" means this prospectus and any amendments hereto;

"**RDSPs**" means registered disability savings plans as defined in the Tax Act;

"**RESPs**" means registered education savings plans as defined in the Tax Act;

"**RRIFs**" means registered retirement income funds as defined in the Tax Act;

"**RRSPs**" means registered retirement savings plans as defined in the Tax Act;

"**Shareholders**" means holders of record of Common Shares;

"**Stock Option Plan**" means the Corporation's stock option plan adopted on January 16, 2018, by the Board, and providing for the granting of incentive options to the Corporation's directors, officers, employees and consultants in accordance with the rules and policies of the CSE;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

"**TFSAs**" means tax-free savings accounts as defined in the Tax Act;

"**TSX**" means the Toronto Stock Exchange;

"**TSXV**" means the TSX Venture Exchange;

"**U.S.**" or "**United States**" means the United States of America;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as it may be amended from time to time;

"**Units**" means the units of the Corporation, each Unit consisting of one Common Share and one Warrant;

"**Valuation Time**" means 5:00 p.m. (Toronto time) on the last Business Day of each quarter, and any other time as determined by the Investment Committee;

"**Warrant Agent**" means Odyssey Trust Company;

"**Warrant Acceleration Notice**" has the meaning given to it under the heading "Description of Securities — Warrants";

"**Warrants**" means the warrants of the Corporation;

"**Warrant Indenture**" has the meaning given to it under the heading "Description of the Securities — Warrants"; and

"**Warrant Shares**" means the Common Shares issuable upon exercise of Warrants in accordance with the terms of the Warrant Indenture.

THE CORPORATION

The Corporation is an investment corporation which was incorporated under the laws of Canada on October 29, 2017. The Manager will provide all management services required by the Corporation. The registered and head office of the Corporation is located at 240 Richmond Street West, Suite 4163, Toronto, Ontario, M5V 1V6.

INVESTMENT OBJECTIVES

The Corporation is an investment corporation incorporated under the laws of Canada. The Corporation's investment objectives are to provide Shareholders long-term total return through capital appreciation by investing in an actively managed Portfolio of securities of public and private companies operating in, or that derive a significant portion of their revenue or earnings from, products or services related to the cannabis industry.

INVESTMENT STRATEGY

To seek to achieve its investment objectives, the Corporation will invest in an actively managed Portfolio of securities of public and private companies operating in, or that derive a significant portion of their revenue or earnings from, products or services related to the cannabis industry.

As a result of recent changes, the Corporation provided an undertaking to the Canadian Securities Administrators which provides that the Corporation will limit its investments in the Public Portfolio and the Private Portfolio to entities that are not engaged in any U.S. marijuana-related activities (as such term is defined in CSA Staff Notice 51-352 – *Issuers with U.S. Marijuana-Related Activities*), until such time as the Canadian Securities Administrators communicate a position regarding issuers with U.S. marijuana-related activities.

The Corporation will be invested primarily in publicly traded equity securities (the "**Public Portfolio**"), but may also invest up to 40% (determined at the time of investment) of the Corporation's total assets in private equity investments (the "**Private Portfolio**"). The Corporation expects that the following issuers would initially form part of the Public Portfolio (the "**Indicative Portfolio**"): Canopy Growth Corporation, MedReleaf Corp., Cannimed Therapeutics Inc., Cronos Group Inc., The Hydropothecary Corporation, Organigram Holdings Inc., Supreme Pharmaceuticals Inc., DOJA Cannabis Company Limited, Emerald Health Therapeutics, Inc., Harvest One Cannabis Inc., Maricann Group Inc. and Village Farms International Inc. The Investment Manager will be responsible for all investment decisions for the Public Portfolio. For greater certainty, securities of OTC Issuers shall not be included in the Public Portfolio.

Through the Private Portfolio, the Corporation will seek to enhance returns and provide investors with a unique opportunity to obtain access to private investments and acquisition candidates in the cannabis sector. The Corporation will have access to such opportunities through the Manager's and Investment Manager's select deal flow partners and deep industry relationships, which opportunities will ultimately require approval from the Investment Committee. The goal of the Private Portfolio is to provide investors with access to private investments which the Corporation believes will become liquid either by a public listing or through a disposition within 12-24 months from the time of investment and which exhibit strong growth and the potential for profitability. The Corporation will be responsible for all investment decisions for the Private Portfolio with Bruce Campbell, the Corporation's Chief Investment Officer, being principally responsible for the investment management of the Private Portfolio.

The Corporations intends to undertake an extensive due diligence process with respect to possible private investments. As part of the due diligence, the Corporation expects, among other things, to meet the management team, review information about and provided by the investee company and obtain specific representations and warranties regarding the company and its business. In addition, prior to the Corporation making an investment in a private company, the Corporation will seek to obtain a representation from the investee company that it is in compliance with the relevant regulatory framework and a covenant that it will comply with such laws going forward and that it will provide notice to the Corporation if it is in breach of such representation while the Corporation remains an investor.

As a result of the Corporation's active management strategy, the Portfolio composition will vary over time depending on the Corporation's and the Investment Manager's assessment of overall market conditions, opportunities and outlook including the allocation between the Public Portfolio and the Private Portfolio which will be determined by the Corporation. Generally, however, the Corporation will seek to invest approximately 60% of its total assets in the Public

Portfolio and 40% of its total assets in the Private Portfolio. In all cases, percentage of investment is measured at cost at the time of investment.

The Manager believes that the Corporation's objectives to invest in an actively managed portfolio comprised of public and private companies through convertible securities, common shares, preferred shares, subscription receipts and warrants will provide the Corporation with the following competitive advantages:

- *Early Mover Advantage* – exposure to investments in a high growth, multifaceted global industry before large institutional investors recognize the opportunity or have the investment mandate to invest in the industry;

- *Pricing Power* – ability to directly source deals with issuers, customize structures and negotiate favourable terms on behalf of the Corporation;

- *Early and Pre-IPO Access to Deal Flow* – as a result of the Investment Manager's early and extensive experience of investing in the cannabis sector, the Corporation will have access to a meaningful amount of Canadian and U.S. deal flow;

- *Experienced Investment Team* – experienced and focused group of individuals to provide due diligence review of investment opportunities and ongoing monitoring of investments;

- *Top Down Investment Process* – the Corporation's top down investment process will encompass a rigorous process of technical and behavioural analysis to position the Portfolio on offence and defence;

- *Bottom Up Investment Process* – the Corporation's bottom up investment process will encompass disciplined fundamental, structural and technical analysis; and

- *Aligned Fee Structure* – no management salaries or bonuses. Management and performance fees will be based on the Corporation's share price.

The Corporation will employ a multi-pronged top down and bottom up investment process focused on (i) fundamental valuation; (ii) growth prospects; (iii) the ability of company management to execute their short-term and long-term growth strategies; (iv) technical and behavioural research; and (v) ongoing portfolio risk monitoring. The Manager also believes there are significant investment opportunities in segments of the cannabis sector, such as edibles, infused products, real estate, technology, security solutions, financing, delivery systems, retail distribution, biotech/pharmaceuticals and nutraceuticals where there has been limited investment to date. Ultimately, the Manager expects that as the industry grows and matures, a complex value chain will develop around production to support the entire seed-to-sale process, including retailers, digital multimedia, business solutions, consumer products and potentially pharmaceutical therapeutics. With respect to pharmaceutical therapeutics, the Manager believes advances in medical efficacy will continue the wave of acceptance globally of cannabis-based healthcare solutions by regulators and markets which the Manager expects will significantly increase the market for medical cannabis.

Active Investments and Access

The Manager believes that an active management investment strategy is appropriate for the cannabis sector due to the following factors:

(i) **Small Cap vs. Large Cap:** Active management strategies have the potential to outperform passive strategies when investing in small cap issuers due to asymmetry of information, the value of in-depth research and company level due diligence;

(ii) **Private vs. Public Investments:** The ability to participate in private pre-acquisition/IPO investments allows for additional diversification and investment upside;

(iii) **Market Dispersion:** The Manager believes that there is a significant gap in the performance of securities across the investable universe affording a manager that emphasizes active management and risk mitigation the opportunity to outperform an index fund and the broader market; and

(iv) **Inefficient Price Discovery:** The Manager believes that the combination of an emerging growth sector with limited institutional investment has created inefficiencies in pricing and provides opportunities for disciplined investors.

Leverage

The Corporation may obtain leverage of up to 25% of the fair market value of the Public Portfolio by way of a margin facility or by other means. Initially, the Corporation is not expected to employ leverage but may ultimately do so to pursue further investments in the Portfolio.

Short Selling

The Corporation may short securities from time to time for investment purposes or for hedging and risk management purposes. Short exposure in the Public Portfolio, for purposes other than hedging, will not exceed 20% of the total assets of the Corporation on a daily marked-to-market basis. Short selling will be used to the extent the Investment Manager believes it is necessary to dampen overall portfolio risk or if the Investment Manager believes there is an opportunity to generate additional returns. The degree of short selling will depend on the Investment Manager's assessment of market conditions.

A short sale is effected by selling a security which the Corporation does not own. In order to make delivery to the buyer of a security sold short, the Corporation must borrow the security. In so doing, it incurs the obligation to replace the security, whatever its price may be, at the time it is required to deliver it to the lender. The Corporation must also pay to the lender of the security any dividends or interest payable on the security during the borrowing period and may have to pay a premium to borrow the security. The Corporation may engage in so-called "naked" short sales when it does not own or have the immediate right to acquire the security sold short at no additional cost, in which case the Corporation's losses theoretically could be unlimited.

OVERVIEW OF THE CANADIAN CANNABIS SECTOR

Recent Regulatory Developments

In 2001, Canada implemented MMAR, a government-run program for Medical Marijuana access. MMAR permitted approved persons access to either grow the product or seek supply from Health Canada. According to a press release issued by Health Canada on June 10, 2013, the number of individuals in Canada approved to use medical marijuana grew from 500 in 2001 to more than 30,000 by 2013. Due in part to the growth in demand, Health Canada implemented the MMPR in June 2013 with the intent that it replace government supply and medical marihuana existing under the MMAR with secure and regulated commercial operations (i.e. licensed producers) under the MMPR. The MMPR supplanted the MMAR on April 1, 2014.

In the October 2015 Speech from the Throne, the newly elected Liberal Government of Canada committed to legalizing, regulating, and restricting access to marijuana. Subsequently, in June 2016, the Federal Government of Canada established a Task Force on Cannabis Legalization and Regulation (the "**Task Force**") to seek input on the design of a new system to legalize, regulate and restrict access to cannabis. On December 13, 2016, the Task Force completed its review and published its report outlining its recommendations.

On August 24, 2016, the ACMPR came into force with the overarching goal of improving access to medical marijuana. The ACMPR replaced the MMPR which was ruled to be unconstitutional by a Canadian federal court in 2015 because it did not provide patients with reasonable access to medical marijuana.

On April 13, 2017, the Canadian Federal Government released Bill C-45, which proposes the enactment of the *Cannabis Act*, to regulate the production, distribution and sale of cannabis for unqualified adult use. On November 23, 2017, the House of Commons passed Bill C-45 and on December 20, 2017, the Prime Minister communicated that the Canadian Federal Government intends to legalize cannabis in the summer of 2018, despite previous reports of a July 1, 2018 deadline. The Cannabis Act is now at the report stage in the House of Commons. While the Federal Government is responsible for implementing legislation to legalize the production and distribution of cannabis, each province will establish rules and regulations with respect to the distribution and retail of cannabis.

The legislative landscape is quickly changing with various provinces and territories providing further guidance and rules on a regular basis. For example, on September 8, 2017, the Ontario government announced its proposed retail and distribution model of legalized recreational cannabis to be modelled on the current Liquor Control Board of Ontario ("**LCBO**") framework. Under Ontario's proposed framework, the LCBO would be solely mandated with overseeing the legal retail business of recreational cannabis in Ontario through new stand-alone cannabis stores and an LCBO-controlled online order and distribution service, which together, would comprise the only channels through which consumers would be able to legally purchase recreational cannabis. The announcement marked an important step forward for the province and a responsible step forward for the cannabis industry, with the introduction of a model that will help restrict access to youth, help protect the health and safety of Ontarians, and help keep profits out of the hands of the black market. On December 12, 2017, the Ontario government passed the *Cannabis Act, 2017* (Ontario), which will regulate the lawful use, sale and distribution or recreational cannabis by the federal government's summer 2018 legalization deadline.

The governments of Manitoba, Alberta, New Brunswick, Québec and British Columbia have also announced partial regulatory regimes for the distribution and sale of cannabis for recreational purposes in those provinces.

On November 21, 2017, Health Canada released a consultation paper entitled "Proposed Approach to the Regulation of Cannabis" (the "**Proposed Regulations**"). Recognizing the federal government's commitment to bringing the Cannabis Act (Canada) into force no later than the summer of 2018, the Proposed Regulations, among other things, seek to solicit public input and views on the appropriate regulatory approach to a recreational cannabis market by building upon established regulatory requirements that are currently in place for medical cannabis.

Interested stakeholders have been invited to share their views on the Proposed Regulations until January 20, 2018. At the end of this 60-day consultation period, Health Canada is expected to publish a summary of the comments received as well as a detailed outline of any changes to the regulatory proposal.

The Proposed Regulations are divided into the following seven major categories: (1) licenses, permits and authorizations; (2) security clearances; (3) cannabis tracking system; (4) cannabis products; (5) packaging and labelling; (6) cannabis for medical purposes; and (7) health products and cosmetics containing cannabis.

The Manager expects that recreational sales, beginning with online sales and then moving to storefronts, will commence in late 2018 or early 2019. Likewise, the Manager expects that cannabis extract products, which category is expected to be the second fastest growing segment in mature markets according to Cannabis Business Times (July 2017), will become available to consumers in late 2018 or early 2019.

Licensed Producers

Licensed producers remain the most accessible investment option for investors seeking to gain exposure to the cannabis industry. Canadian licensed producer sales are expected to grow from $300 million to over $9 billion over the next eight years, representing a compound annual growth rate of 48%.[1] Moreover, the ancillary service market required to support licensed producers is forecasted to be upwards of 1.5 times the licensed producer market.[2] Overall, the Manager believes the cannabis industry is currently undergoing a dynamic shift with high, but falling, barriers to entry and a significant increase in the number of potential investment options for investors, as detailed below:

- **High Barrier to Entry:** As at January 12, 2018, there were only 86 licensed producers in Canada, implying a success rate of just below 4.0% (there have been over 2,000 applications).[3] Furthermore, from the date the initial application is submitted, it takes on average three years for a successful applicant to receive a production license.

- **Falling Barriers to Entry:** The number of licensed producers is expected to increase as more applicants work their way through the licensing process and as the government looks to create a craft marketplace, similar to the craft beer industry in Canada. As at December 1, 2017, 208 applicants were in the final stages of the approval

[1] Deloitte Touche Tohmatsu Limited. (2016). *Recreational Marijuana, Insights and Opportunities.*

[2] Deloitte Touche Tohmatsu Limited. (2016). *Recreational Marijuana, Insights and Opportunities.*

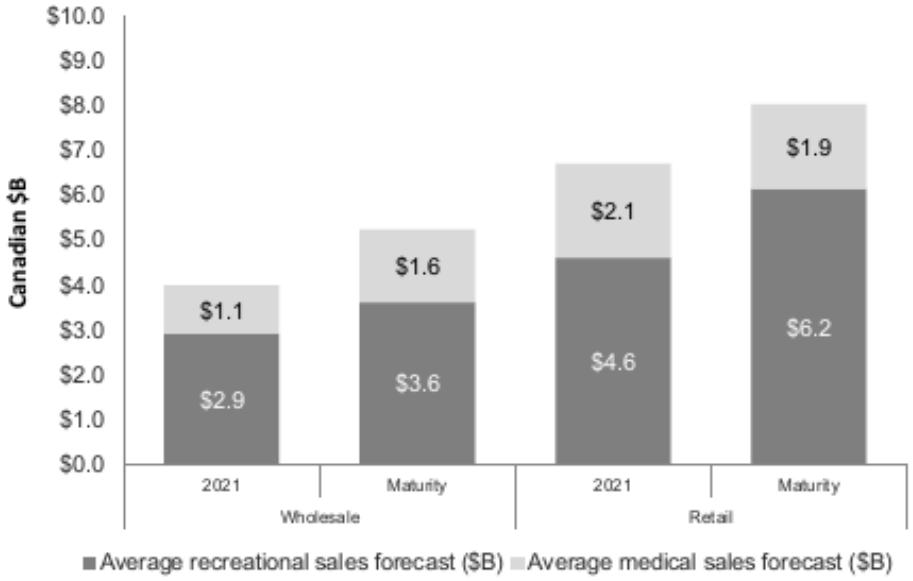
[3] Government of Canada. (2017). *Authorized Licensed Producers of Cannabis for Medical Purposes.* https://www.canada.ca/en/health-canada/services/drugs-health-products/medical-use-marijuana/licensed-producers/authorized-licensed-producers-medical-purposes.html

process according to Health Canada. For reference, craft beer controls approximately 10% of the Canadian market share.[4]

- **Decrease in Investment Scarcity:** As more companies receive production and sales licenses and more licensed producers go public, competition will increase while investment scarcity will fall.

Medical Cannabis

Medical cannabis is legal in Canada with 86 licensed producers as of January 12, 2018. Starting in June 2014 with 7,914 patients, the ACMPR program has grown to 201,398 patients as of June 2017, a 194% compounded annual growth rate. Over the same period, the amount of medical cannabis sold has increased at a compounded rate of 146% per year.[5] The most recent data from Health Canada indicates there are 235,621 registered medical cannabis users in Canada as at September 30, 2017 representing 0.64% of the population. The Manager expects this trend to continue in Canada and approach 2.0% of the population by 2021, similar to levels in comparable U.S. states like California or Colorado, which would result in a 25% compound annual growth rate to 500,000 patients in 2021. According to filings by Canadian public licensed producers, all in cost per gram for current producers varies from approximately $1.50 to $6.00 which the Manager believes is not sustainable. While economies of scale and management's ability to master logistics are key to margin expansion and profitability, the Manager believes that these industry conditions may lead to consolidation and will allow active management to add value for clients.



Source: Research reports from Mackie Research Capital Corporation, Echelon Wealth Partners, GMP Securities LP and Beacon Securities Limited

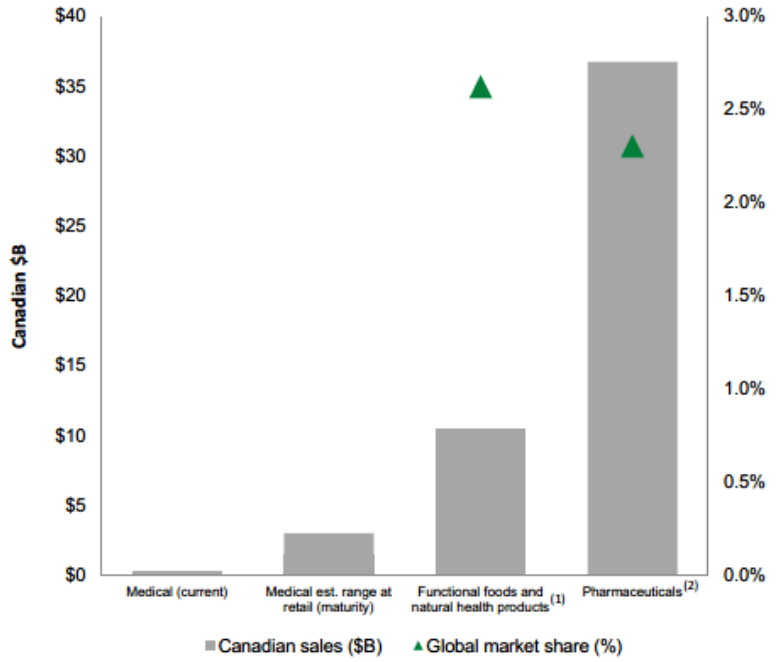
Analysts have estimated that a mature Canadian medical cannabis market will generate between $1.5 billion and $3 billion in retail sales.[6] The Manager believes that the medical marijuana industry in Canada will grow beyond analyst estimates, possibly surpassing the expected size of the Canadian recreational market, driven primarily by the fact that (i) Canada has a supportive legal framework at the federal level; (ii) clinical research supports cannabis as a therapeutic product and increases the number of potential uses; (iii) development of pharmaceutical formulations (i.e. standardized dosages and delivery methods); (iv) insurance coverage; and (v) the potential for distributions through various channels. According to

[4] Financial Post. (2015). *The Rise of Craft Beer in Canada*. http://business.financialpost.com/news/retail-marketing/the-rise-of-craft-beer-in-canada-an-infographic

[5] Government of Canada. (2017). *Market Data*. https://www.canada.ca/en/health-canada/services/drugs-health-products/medical-use-marijuana/licensed-producers/market-data.html

[6] D. Pearlstein; A. Sutton. (2017). *The Value Case for Investing in Cannabis*.

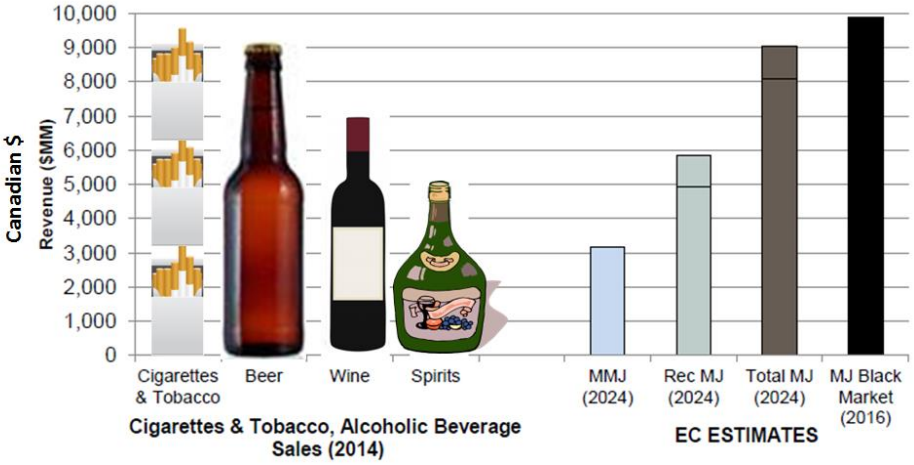
Statista, an online market research company, pharmaceutical applications of cannabis will drive global demand, leading cannabis to compete in the U.S.$1.3 trillion global pharmaceutical market.



Source: Government of Canada

Recreational Cannabis

By 2024, the size of the recreational market (summer 2018) has been estimated to be between $6.2 billion and $9.8 billion,[7] the low end of this range puts the "unqualified adult use" cannabis market close to the size of the entire Canadian wine market.



Source: Eight Capital

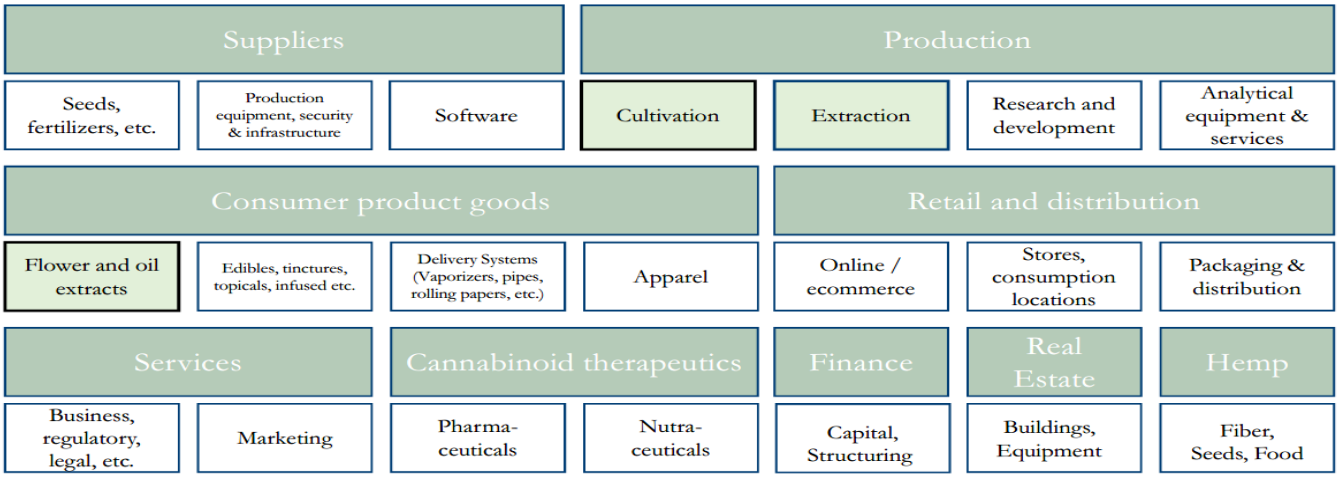
Further, the most recent Health Canada data provides that the production of medical cannabis as at September 30, 2017 is approximately 29,312 kg per year. While production is rapidly increasing, a conservative estimate of the initial production

[7] D. Pearlstein; A. Sutton. (2017). *The Value Case for Investing in Cannabis*.

required to meet expected recreational demand is 900,000 kg per year.[8] At the current rate of license issuance by Health Canada, the introduction of recreational cannabis will put a significant strain on the supply of cannabis and established producers will have a significant competitive and early mover advantage. Analysts have forecasted that a mature Canadian market (for recreational use and medical use) will generate between $9 billion and $12 billion per year in retail sales by 2026.[9] The Manager believes that if the expected increase in demand is not met by current medicinal production capabilities, it may lead to further consolidation in the industry. The Manager expects that much of the success of cannabis issuers will be attributable to the quality of management and their ability to master logistics.

Cannabis Value Chain

The majority of publicly traded cannabis companies' business models focus on the base market – i.e. production and extraction. However, if ancillary industries related to the cannabis market are added, the total economic impact on the Canadian economy has been estimated to approach approximately $23 billion per year after factoring in ancillary services such as security, testing labs, infused products, growers, etc., but before accounting for taxes, licensing fees, tourism and paraphernalia.[10]



Companies such as Scotts Miracle-Gro Company, Monsanto Company and Microsoft Corporation provide products and services that are vital to the base market and will be the beneficiaries of the next phase of growth and investment in the cannabis industry. Some ancillary cannabis businesses are already seeing large corporations enter the industry. For example, Scotts Miracle-Grow Company recently acquired a number of companies that provide fertilizers, lighting and supplies for hydroponics as part of its objective to invest US$500 million in the cannabis industry as announced in July 2016. In June 2016, Monsanto Company patented the first genetically modified strain of cannabis. Finally, Microsoft Corporation recently partnered with Kind Financial to launch Kind Government Solutions, which will acquire government-facing contracts for seed to sale tracking. The Manager believes that the growth of the ancillary cannabis business sector will provide investment opportunities going forward and the increased involvement of large corporations in the cannabis sector will result in growth potential for and increased M&A activity in the sector.

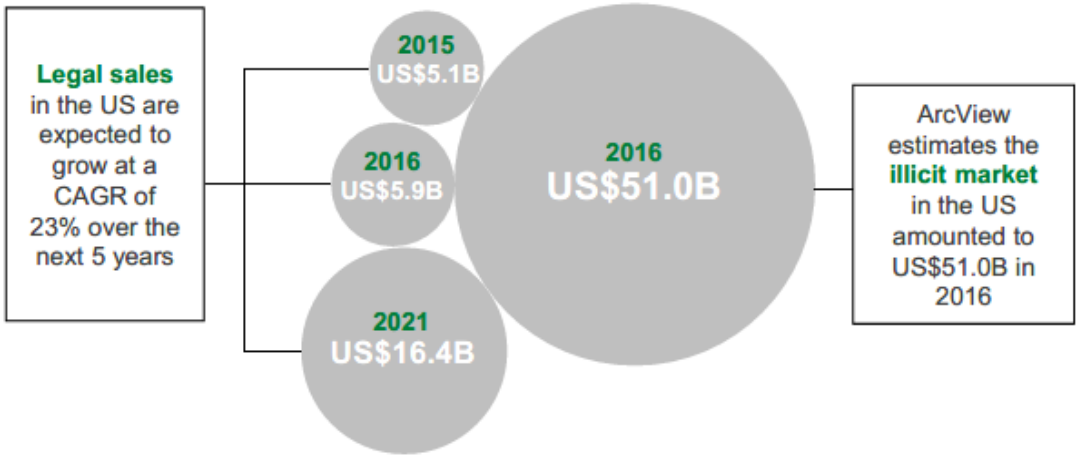
[8] M. Lamers. (2017). *Canada's Rec Marijuana Demand will be much Higher than Industry Anticipates, Researcher Predicts.* Marijuana Business Daily. https://mjbizdaily.com/researcher-canada-massively-underestimating-recreational-marijuana-demand/

[9] D. Pearlstein; A. Sutton. (2017). *The Value Case for Investing in Cannabis*.

[10] Deloitte Touche Tohmatsu Limited. (2016). *Recreational Marijuana, Insights and Opportunities*.

North American Cannabis Market

The Manager estimates that the global size of the cannabis industry could reach $180 billion over the next 10 to 15 years as recreational cannabis use is legalized and as a result of standard market growth. Although the current regulatory market in the U.S. remains challenging, the U.S. cannabis market has the potential to be significantly larger than the Canadian market and is expected to drive growth in the industry. See "Risk Factors – Risk Factors Related to the United States".



Source: The Arcview Group and MedMen.

As illustrated below, sales projections for legalized states imply a $9 billion adult use market alone.

	Alaska	Colorado	DC	Oregon	Washington	Average	Canada	Time Lag
Start of medical program	1999	2000	1998	1998	1998	1999	2001	2 years
Start of recreational program	2016	2014	2015	2015	2014	2015	2018*	3 years
Population (MM)	0.7	5.4	0.7	4.0	7.1		35.2	
Relative population multiple - Canada / state	50.3x	6.5x	50.3x	8.8x	5.0x			
Estimated adult use sales in 2020 (US$MM, ArcView Research)	$134	$2,020	$94	$985	$2,266			
Implied sales in Canada in 2023	**$6,740**	**$13,130**	**$4,728**	**$8,668**	**$11,330**	**$8,919**		

Source: The Arcview Group and MedMen.

Canadian licensed producers can capitalize on this global opportunity by participating in medical cannabis programs in foreign countries. Furthermore, global health regulators look and are increasingly relying on Canada expertise in the cannabis industry. As a result, the ACMPR is quickly becoming the de facto international standard for medical cannabis regulation which will allow Canadian issuers, as experts and early movers in this sector, an opportunity to expand into other jurisdictions.

Canadian LP	Australia	Brazil	Cayman Islands	Chile	Croatia	Germany	Israel	Netherlands	New Zealand	Spain	Switzerland	Uruguay	USA
ABcann Global Corporation	--	--	--	--	--	--	Supply agreement	Purchases seeds	--	--	--	--	--
Aurora Cannabis Inc.	Equity investment	--	--	--	--	Wholly owned subsidiary	--	--	--	--	--	--	
CanniMed Therapeutics Inc.	Supply agreement	--	Supply agreement	--	--	--	--	--	--	--	--	--	Wholly owned subsidiary
Canopy Growth Corporation	Equity investment	Supply agreement	--	Strategic partnership	--	Distribution agreement	--	Cannabis genetics	--	--	--	--	Vaporizer, Ag solutions
Cronos Group Inc.	--	--	--	--	--	Distribution agreement	--	--	--	--	--	--	--
Emblem Corp.	--	--	--	--	--	--	--	--	--	--	--	Supply agreement	--
Harvest One Cannabis Inc.	Distribution agreement	--	--	--	--	--	--	--	--	--	Wholly owned subsidiary	--	--
Maricann Group Inc.	--	--	--	--	--	Wholly owned subsidiary	--	--	--	--	--	--	--
MedReleaf Corp.	Equity investment	--	--	--	--	--	Supply agreement	--	--	--	--	--	--
Organigram Holdings Inc.	--	--	--	--	--	--	--	--	--	--	--	--	JV with extraction technology
Supreme Pharmaceuticals Inc.	--	--	--	--	--	--	--	--	--	Alliance with seed developer	--	--	--
Tilray Canada Ltd.	Supply agreement	Distribution agreement	--	Distribution agreement	Supply agreement	--	--	--	Supply agreement	--	--	--	--

Source: Eight Capital

The United States of America

Under federal law in the United States, the use, possession, sale, cultivation and transportation of cannabis is illegal (with the exception of certain government-approved research programs), and cannabis is listed as a Schedule I substance under the U.S. Controlled Substances Act of 1970. At the state level however, a number of states have fully legalized the use of cannabis for both medical and recreational purposes while others have partially legalized the use of cannabis for medical purposes.

On January 4, 2018, U.S. Attorney General Jeff Sessions issued a memorandum to U.S. district attorneys which rescinded previous guidance from the U.S. Department of Justice specific to cannabis enforcement in the United States, including the Cole Memorandum. With the Cole Memorandum rescinded, U.S. federal prosecutors no longer have guidance relating to the exercise of their discretion in determining whether to prosecute cannabis related violations of U.S. federal law. On January 12, 2018, the Canadian Securities Administrators issued a statement that they are considering whether the disclosure-based approach for issuers with U.S. marijuana-related activities remains appropriate in light of the rescission of the Cole Memorandum. As a result, the Corporation provided an undertaking to the Canadian Securities Administrators which provides that the Corporation will limit its investments in the Public Portfolio and the Private Portfolio to entities that are not engaged in any U.S. marijuana-related activities (as such term is defined in CSA Staff Notice 51-352 – *Issuers with U.S. Marijuana-Related Activities*), until such time as the Canadian Securities Administrators communicate a position regarding issuers with U.S. marijuana-related activities.

DESCRIPTION OF THE ACTIVITIES OF THE CORPORATION

The Corporation will invest the net proceeds from the Offering to purchase securities of public and private issuers for the Portfolio in accordance with the Corporation's investment objectives and investment restrictions and subject to the terms of the Undertaking. See "Use of Proceeds".

Investment Restrictions

The Corporation is subject to the investment restrictions set out below that, among other things, limit the securities that the Corporation may acquire for the Portfolio. The Corporation's investment restrictions may not be changed without the approval of the holders of the Common Shares by Extraordinary Resolution at a meeting called for such purpose. See "Description of the Activities of the Corporation — Shareholder Matters". The Corporation's investment restrictions provide that the Corporation may not:

(i) purchase securities, other than securities of Cannabis Issuers, provided that the Corporation may purchase securities of issuers operating in subsectors ancillary to the cannabis industry in an amount up to 25% of the total assets of the Corporation;

(ii) invest more than 40% of its total assets in securities of private issuers;

(iii) invest more than 10% of its total assets in securities of any single issuer other than securities issued or guaranteed by the government of Canada or a province or territory thereof or securities issued or guaranteed by the U.S. government or its agencies and instrumentalities;

(iv) invest in securities of issuers that are in breach of ACMPR and/or the regulatory framework enacted by the applicable U.S. state;

(v) borrow money or employ any other forms of leverage greater than 25% of the value of the Public Portfolio;

(vi) have short exposure, other than for purposes of hedging, in excess of 20% of the total assets of the Corporation as determined on a daily marked-to-market basis;

(vii) conduct any activity that would result in the Corporation failing to qualify as a "public corporation" within the meaning of the Tax Act;

(viii) invest in or hold (i) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Corporation (or the partnership) would be required to include any significant amounts in income pursuant to section 94.1 of the Tax Act, (ii) an interest in a trust (or a partnership which holds such an interest) which would require the Corporation (or the partnership) to report income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or (iii) any interest in a non-resident trust (or a partnership which holds such an interest) other than an "exempt foreign trust" for the purposes of section 94 of the Tax Act;

(ix) invest in any security that is or would be a tax shelter investment within the meaning of the Tax Act; and

(x) enter into any arrangement (including the acquisition of securities for the Portfolio) where the result is a "dividend rental arrangement" for the purposes of the Tax Act, or engage in securities lending that does not constitute a "securities lending arrangement" for purposes of the Tax Act.

If a percentage restriction on investment or use of assets set forth above is adhered to at the time of the transaction, later changes to the market value of the investment or the total assets of the Corporation will not be considered a violation of the restriction (except for the restrictions in paragraphs ((vii)) or (viii)). If the Corporation receives from an issuer, subscription rights to purchase securities of that issuer, and if the Corporation exercises such subscription rights at a time when the Corporation's Portfolio holdings of securities of that issuer would otherwise exceed the limits set forth above, it will not constitute a violation if, prior to receipt of securities upon exercise of such rights, the Corporation has sold at least as many securities of the same class and value as would result in the restriction being complied with.

Shareholder Matters

Meeting of Shareholders

Annual meetings of Shareholders must be held within 15 months from the last annual meeting of Shareholders but no later than six months after the end of the Corporation's preceding financial year. The Board, the Corporation's chairman, chief executive officer or president may call a special meeting of the Shareholders at any time by providing notice of the date, time and place of the meeting to each Shareholder entitled to vote at the meeting, each director and the auditor as well as details on the business to be transacted at such meeting.

Quorum for a meeting of Shareholders shall be the holders of at least 25% of the shares entitled to vote at a meeting of Shareholders, whether present in person or represented by proxy. Unless a Shareholder entitled to vote at a meeting of Shareholders demands a vote to be taken by ballot, each question at a meeting of Shareholders shall be decided by a show of hands. Upon a show of hands every voting person who is present shall have one vote. The only persons entitled to attend a meeting of Shareholders shall be those entitled to vote at the meeting, the directors and auditor of the Corporation as well as any other person who is invited by the Chair of the meeting or with the consent of the meeting. Each Common Share will have one vote at such a meeting.

Acts Requiring Shareholder Approval

In addition to those matters requiring approval of Shareholders pursuant to corporate law, the Corporation has agreed with the Manager that the following matters require the approval of the holders of Common Shares by a two-thirds majority vote at a meeting called and held for such purpose:

(i) a change in the fundamental investment objectives of the Corporation as described under "Investment Objectives";

(ii) a change in the investment restrictions of the Corporation as described under "Description of the Activities of the Corporation — Investment Restrictions" unless such change is necessary to ensure compliance with all applicable laws, regulations or other requirements by the applicable regulatory authorities from time to time;

(iii) any change in the basis of calculating the Management Fee or Performance Fee charged to the Corporation which could result in an increase in charges to the Corporation other than a fee or expense charged by a person or company that is at arm's length to the Corporation;

(iv) except as described herein, a change in the Manager of the Corporation, other than a change resulting in an affiliate of such person assuming such position; and

(v) an amendment, modification or variation in the provisions or rights attaching to the Common Shares which materially adversely affects the holders of Common Shares.

USE OF PROCEEDS

The following table shows the intended use of the gross proceeds from the issuance of Units assuming the Maximum Offering is completed.

Sources of Funds	Assuming Minimum Offering	Assuming Maximum Offering
Gross Proceeds from issuance of Units	$5,000,000	$75,000,000
Agents' Fee[(2)]	$275,000	$4,125,000
Estimated expenses of this Offering (i.e. legal, accounting and audit, tax advice, printing, travel, securities	$450,000	$750,000

filings, etc.)

Total Net Proceeds	**$4,275,000**	**$70,875,000**

The net proceeds of the Offering will be used to purchase Portfolio securities following the Closing Date in accordance with the Corporation's investment strategy, and for general operating purposes. The Corporation will invest at least 75% of the net proceeds of the Offering in accordance with the Corporation's investment strategy within 36 months of the Closing Date, except where the Board determines, acting reasonably and in good faith, that satisfying such a commitment would result in a breach of the Board's fiduciary duties as directors under applicable corporate law or the Manager's or Investment Manager's duty to the Corporation. As the Portfolio will be actively managed, the Corporation may hold cash and cash equivalents from time to time depending on the Corporation's and the Investment Manager's assessment of market conditions.

SELECTED FINANCIAL INFORMATION

The audited financial statement of the Corporation as at January 16, 2018 is included in this Prospectus. The Corporation was only recently incorporated and capitalized with nominal capital. As the Corporation has not carried on any business to date, it has no material assets, or cash flow from financing or from operations.

DESCRIPTION OF THE SECURITIES

The Corporation is offering up to $75,000,000 of Units, at a purchase price of $2.50 per Unit. Each Unit consists of one Common Share and one Warrant in the capital of the Corporation. The Units issued pursuant to the Offering will separate into Common Shares and Warrants immediately after the closing of the Offering.

Common Shares

As at the date of this Prospectus, the Corporation is authorized to issue an unlimited number of Common Shares without par value. As of the date of this Prospectus, one Common Share was issued and is outstanding as fully paid and non-assessable share.

The Shareholders are entitled to receive notice of and to attend and vote at all meetings of the Shareholders of the Corporation and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the Shareholders of the Corporation. The Shareholders, subject to the prior rights, if any, of any other class of shares of the Corporation, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Corporation, the remaining property and assets of the Corporation.

Warrants

The Corporation is currently authorized to issue an unlimited number of Warrants, of which, at the date hereof, there are no Warrants issued and outstanding. The Warrants will be issued pursuant to the terms of a warrant indenture dated the date hereof (the "**Warrant Indenture**") between the Corporation and Odyssey Trust Company, as warrant agent thereunder (the "**Warrant Agent**"). The Corporation will appoint the principal transfer offices of the Warrant Agent in Toronto, Ontario as the location at which Warrants may be surrendered for exercise or transfer. The following summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture, which will be filed by the Corporation and available on SEDAR at www.sedar.com from and after the Closing Date.

The Units issued pursuant to the Offering will separate immediately upon closing of the Offering into Common Shares and Warrants. Each whole Warrant will entitle the holder to purchase one Warrant Share at a price of $2.50 per Warrant Share. Warrants will be exercisable on or prior to 5:00 p.m. (Toronto time) on the date that is the earlier of (i) 24 months following the Closing Date, and (ii) the date specified in any Warrant Acceleration Notice delivered in accordance

with the terms of the Warrant Indenture, after which time the Warrants will expire and be deemed to be void and of no further force or effect.

If, at any time prior to the date that is 24 months following the Closing Date, the volume-weighted average trading price of the Common Shares is greater than $3.50 for any 10 consecutive trading day period, the Corporation may provide written notice to the Warrant Agent and the registered holders of Warrants (a "**Warrant Acceleration Notice**") that the expiry time of the Warrants shall be accelerated to the date which is 30 days after the date of such Warrant Acceleration Notice, subject to CSE approval.

The Warrant Indenture provides for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

(i) the subdivision, redivision or change of the Common Shares into a greater number of shares;

(ii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares; and

(iii) the issuance of Common Shares or securities exchangeable for, or convertible into, Common Shares to all or substantially all of the holders of Common Shares by way of distribution (other than a distribution of Warrant Shares upon the exercise of the Warrants pursuant to the Warrant Indenture or in connection with any share incentive plan, restricted share plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other services providers of the Corporation or the satisfaction of existing instruments issued at the date of the Warrant Indenture).

The Warrant Indenture also provides for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events: (i) reclassifications of the Common Shares; (ii) consolidations, amalgamations, arrangements or mergers of the Corporation with or into any other entity; or (iii) sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other entity.

No adjustment of the exercise price is required unless the cumulative effect of such adjustment or adjustments would result in an increase or decrease of at least 1% in the exercise price then in effect.

The Corporation has also covenanted in the Warrant Indenture that, so long as any Warrant remains outstanding, it will give notice to the Warrant Agent and to the 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 10 Business Days prior to the applicable record date of such event.

No fractional Warrants will be issued and Warrants may only be exercised in a sufficient number to acquire whole numbers of Warrant Shares. Any fractional Warrants will be rounded down to the nearest whole number for no additional consideration to the holders of Warrants. Holders of Warrants will not have any rights to vote at or to attend meetings of Shareholders, the right to dividends or any other rights that a holder of Common Shares would have.

From time to time, the Corporation (when authorized by the Board) and the Warrant Agent, without the consent of or notice to the holders of Warrants, may, subject to regulatory approval, amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not prejudice any of the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that is prejudicial to the interests of the holders of the Warrants may only be made by "extraordinary resolution", which is defined in the Warrant Indenture as a resolution either (i) 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 25% of the aggregate number of all then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of all then outstanding Warrants represented at the meeting and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants, or by an attorney duly appointed in writing, representing not less than 66⅔% of the aggregate number of all then outstanding Warrants.

The Warrants and the Warrant Shares have not been registered under the U.S. Securities Act or applicable state securities laws, and the Warrants may not be exercised in the United States unless an exemption from the registration

requirements of the U.S. Securities Act and all applicable state securities laws is available and the Corporation has received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Corporation; provided, however, that a holder of Warrants who is an "accredited investor" (as defined in Rule 501(a) of Regulation D under the U.S. Securities Act) at the time of exercise of the Warrants who purchased Units in the Offering as an "accredited investor" will not be required to deliver an opinion of counsel in connection with the exercise of Warrants that are a part of those Units.

Agents' Options

The Corporation has agreed to grant to the Agents the Agents' Options equal in number to 5.5% of the number of Units sold pursuant to this Offering. Each Agents' Option will entitle the Agents to purchase one Unit, at an exercise price equal to $2.50 per Unit, for a period of 24 months from the Closing Date. In the event that the Agents' Options are not exercised prior to the Expiry Time, the Agents will only be entitled to receive the Common Shares underlying the Units upon any subsequent exercise of the Agents' Option. The Warrants underlying the Units issuable upon exercise of the Agents' Option will be void and of no value at the Expiry Time. See "Plan of Distribution".

Stock Options

The Board has approved the Stock Option Plan, designed for selected employees, officers, directors, consultants and contractors of the Corporation, to incentivize such individuals to contribute toward the Corporation's long-term goals, and to encourage such individuals to acquire Common Shares as long-term investments. The Stock Option Plan will be administered by the Board and authorizes the issuance of stock options not to exceed a total of 10% of the number of Common Shares issued and outstanding from time to time. The terms of any award are determined by the Board, provided that no options may be granted at less than the fair market value of Common Shares as of the date of the grant. As of the date of this Prospectus, there are no outstanding options to purchase Common Shares under the Stock Option Plan. See "Executive Compensation — Stock Option Plan".

DIVIDEND POLICY

The Corporation has not declared or paid any cash dividends on any of its issued shares since incorporation. The Corporation's dividend policy will be reviewed from time to time by the Board in the context of the Corporation's earnings, financial condition, capital requirements and other relevant factors. Although dividends may be paid at some point in the future, the Corporation currently intends to retain all available funds and any future earnings to fund its investment strategy and the Corporation does not anticipate paying any cash dividends in the foreseeable future.

CAPITALIZATION

Existing and Proposed Capitalization

The following table summarizes information about the outstanding securities of the Corporation:

Description of Security	Number Authorized to be Issued	Number Outstanding and Carrying Value as at January 16, 2018	Number Outstanding and Carrying Value after Offering			
			Assuming Minimum Offering	Assuming Maximum Offering	Assuming Minimum Offering (after giving effect to the Over-Allotment Option)	Assuming Maximum Offering (after giving effect to the Over-Allotment Option)
Common Shares	Unlimited	One Common Share	2,000,001 Common Shares	30,000,001 Common Shares	2,300,001 Common Shares	34,500,001 Common Shares
Warrants	Unlimited	Nil	2,000,000 Warrants	30,000,000 Warrants	2,300,000 Warrants	34,500,000 Warrants
Agents' Options	Unlimited	Nil	110,000 Agents' Options	1,650,000 Agents' Options	126,500 Agents' Options	1,897,500 Agents' Options
Debt	N/A	Nil	Nil	Nil	Nil	Nil

PRIOR SALES

There have been no prior sales of Common Shares and/or securities convertible into Common Shares, within the 12 months prior to the date hereof other than one Common Share issued to the Manager in connection with the incorporation and initial organization of the Corporation.

PRINCIPAL SECURITYHOLDERS

As at the date of this Prospectus, to the knowledge of the Board, following the Closing Date, no person will beneficially own, directly or indirectly, or exercise control or direction over, Common Shares and/or securities convertible into Common Shares carrying 10% or more of the voting rights attaching to all issued and outstanding Common Shares and/or securities convertible into Common Shares.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Address, Occupation and Security Holdings

The following are the names, ages and city, province or state and country of residence of each of the individuals who are the directors and executive officers of the Corporation and their principal occupations during the last five years.

Name, Province or State and Country of Residence	Position/Title[(1)]	Principal Occupation
John Durfy[(2)(3)] Age: 52 Oakville, Ontario, Canada	Independent Director	Chief Financial Officer and Chief Compliance Officer, Sphere Exchange Traded Funds
Gary Yeoman[(2)] Age: 63 Toronto, Ontario, Canada	Independent Director	Chairman, Golden Leaf Holdings; Executive Chair, iLOOKABOUT
Nick J. Richards[(3)] Age: 51 Littleton, Colorado, United States	Independent Director	Partner, Dill Dill Carr Stonebraker & Hutchings, PC
Brayden Sutton Age: 33 Chilliwack, British Columbia, Canada	Independent Director	President, Sutton Ventures Ltd.
Jamie Blundell Age: 49 Toronto, Ontario, Canada	Director, President and Chief Operating Officer	Consultant, Self Employed
Paul Andersen[(2)] Age: 51 Toronto, Ontario, Canada	Director and Chief Financial Officer	Managing Partner, Forbes Andersen LLP
Bruce Campbell[(3)] Age: 47 Kelowna, British Columbia, Canada	Chief Investment Officer	President, StoneCastle Investment Management Inc.

Notes:

(1) The individuals acting in the capacity of the Corporation's executive officers are not employed by the Corporation or any of its subsidiaries, but rather are employees of the Manager and provide services to the Corporation, on behalf of the Manager, pursuant to the Management Agreement.

(2) Member of the Audit Committee.

(3) Member of the Investment Committee.

Personal Profiles

Set out below is a biography of each of the directors and executive officers of the Corporation.

John Durfy, Independent Director. Mr. Durfy has more than 25 years of senior investment and financial management experience. Most recently, Mr. Durfy was a senior partner and chief financial officer of Sphere Investment Management Inc. where he was responsible for the operational strategic management of the firm. Prior to that, Mr. Durfy was Chief Investment Officer at a hedge fund overseeing all portfolio management activities and personnel, including investment strategy, trading and risk management. Mr. Durfy also previously worked as Managing Director of Global Equities for the

Ontario Municipal Employees Retirement System ("**OMERS**") from 2008 to 2011. Prior to OMERS, Mr. Durfy was a Senior Portfolio Manager with the Canada Pension Plan Investment Board and a Vice President and Portfolio Manager with MFS McLean Budden. Mr. Durfy is a graduate of the MBA program at the DeGroote School of Business (McMaster University) and received a Bachelor of Commerce degree from Memorial University of Newfoundland. Mr. Durfy is a Chartered Financial Analyst (CFA) and a Chartered Professional Accountant (CPA, CMA).

Gary Yeoman, Independent Director. Mr. Yeoman is currently serving as Chairman of the board of directors of Golden Leaf Holdings and as Executive Chair of iLOOKABOUT. Mr. Yeoman is also the President of Yeoman and Associates Inc., a private real estate consulting company. From 2005 to 2011, Mr. Yeoman served as Chief Executive Officer of Altus Group, a TSX listed company. During his term as Chief Executive Officer, Mr. Yeoman led Altus Group through a seven-year growth period during which the company increased revenues from $75 million to approximately $325 million. During this period, Mr. Yeoman oversaw the expansion of Altus Group from 15 Canadian offices to over 65 offices with business in 64 countries, orchestrating the acquisition of 25 companies located in six different continents at an approximate capital cost of $250 million.

Nick J. Richards, Independent Director. Mr. Richards is a practicing tax attorney, adjunct professor of law and legal specialist to the United States cannabis industry. He is a partner at Dill Dill Carr Stonbraker & Hutchings and is tax counsel to Vicente Sederberg. Mr. Richards represents and advises cannabis businesses and owners throughout the U.S. Mr. Richards began his legal career with the IRS where he was a Trial Attorney, Special Assistant United States Attorney and Staff Attorney to the IRS Chief Counsel. After 11 years with the IRS, Mr. Richards began representing individuals and businesses and was one of the first attorneys to represent a cannabis company in an IRS 280E audit. Mr. Richards graduated from law school at Lewis & Clark College in Portland, Oregon, and he is licensed to practice law in California and Colorado.

Brayden Sutton, Independent Director. Mr. Sutton has extensive experience in the capital markets, serving as an analyst and financer for over 14 years. Mr. Sutton has provided corporate consulting and guidance to over 10 publicly listed companies during that period. Mr. Sutton has specialized in the technology, media, health and clean energy sectors, an expert in due diligence in each respective sector. Mr. Sutton's experience in the capital markets helps identify early-stage, high-growth opportunities, both private and public. Throughout his career he has played a major role in several restructurings, reverse takeovers, initial public offerings, and mergers and acquisitions. Mr. Sutton first became involved in the cannabis sector in 2003 and in 2009 began analyzing the very first public offerings of cannabis issuers; he was one of the first to do so at that time on Twitter, Seeking Alpha and elsewhere. Mr. Sutton subsequently co-founded and served as the Executive Vice President for Supreme Pharmaceuticals Inc. (TSXV) from 2013 into 2014 and played an instrumental role in the earliest days of Invictus MD Strategies Corp. (TSXV), Aurora Cannabis Inc. (TSXV) and CannaRoyalty Corp. (CSE). Mr. Sutton is also the founder of Cannabis Health Sciences Inc., which owns www.CannabisHealth.com, as well as several other thriving digital initiatives and he is currently the President and Chief Executive Officer of Friday Night Inc. (CSE) which owns and operates the first licensed cannabis cultivation and processing company in Las Vegas, Nevada, www.AMANev.com.

Jamie Blundell, Director, President and Chief Operating Officer. Mr. Blundell brings over 25 years of experience in senior leadership roles. He has a broad range of experience and operational expertise in rapidly growing companies, has directly managed teams of over 1,000 employees, and has had extensive dealings with mergers and acquisitions, private equity firms and large corporate divestitures. With his diversified cross functional work experience and knowledge of international markets, he has been an integral part of numerous business transformation, turn around and growth situations. Mr. Blundell earned an executive MBA from Queens University in 2000. He is currently a director and audit committee member of Legend Power Systems Inc., a TSXV listed company.

Paul Andersen, Director and Chief Financial Officer. Mr. Andersen is currently the Managing Partner of Forbes Andersen LLP. After spending nearly a decade as an entrepreneur, Mr. Andersen joined the firm in 1999. A graduate of the University of Toronto, Mr. Andersen holds the Canadian CPA, CA designation and the U.S. CPA and CGMA designations. Mr. Andersen has over 20 years of experience as a senior officer and director of numerous public and private companies, including Gulf and Pacific Equities Corp. (TSXV), Plateau Uranium Inc. (TSXV), Minsud Resources Corp. (TSXV), KILO Goldmines Ltd. (TSXV) and Gullco International Ltd. In addition, Mr. Andersen has cannabis specific experience through his involvement as a director of Canada House Wellness Group Inc. (formerly Abba Medix Group Inc.), a CSE listed company, and as a consultant to a privately-owned Oregon cannabis company.

Bruce Campbell, Chief Investment Officer. Mr. Campbell is the founder and a portfolio manager of StoneCastle Investment Management. Mr. Campbell has over 24 year of capital markets experience. Mr. Campbell has been an active

investor in the cannabis sector since 2013. Mr. Campbell was a featured speaker at The Globe and Mail, President's Club Newsletter conference in November 2015 where he presented on the growth potential of the cannabis sector. He has also been a speaker at CSE events on the cannabis industry and trends in the future. Mr. Campbell is often quoted in Bloomberg, The Globe and Mail, Business News Network and Small Cap Power. He is currently a director of Decisive Dividend Corporation, a TSXV listed company.

Securityholdings of Directors and Executive Officers

Following completion of the Offering, the directors and executive officers of the Corporation, as a group, will not beneficially own, control or direct, directly or indirectly, any of the Corporation's issued and outstanding Units.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

At the date of this Prospectus, no director or executive officer of the Corporation or promoter of the Corporation is, or was within 10 years prior to the date of this Prospectus, a director, chief executive officer or chief financial officer of any company that:

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

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

Penalties or Sanctions

At the date of this Prospectus, no director or executive officer of the Corporation or promoter of the Corporation or any unitholder holding a sufficient number of securities to affect materially the control of the Corporation, is or had been, within 10 years prior to the date of this Prospectus, subject to:

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

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

Bankruptcies

No director or executive officer of the Corporation or promoter of the Corporation, or a unitholder holding a sufficient number of securities to affect materially the control of the Corporation:

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

(ii) has, within 10 years prior to the date of this Prospectus become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings,

arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer, promoter or unitholder.

ORGANIZATION AND MANAGEMENT DETAILS OF THE CORPORATION

The Manager

CGOC Management Corp., an entity incorporated under the laws of Canada on October 31, 2017, is the manager of the Corporation. The registered and head office of the Manager is located at 240 Richmond Street West, Suite 4163, Toronto, Ontario, M5V 1V6.

The Management Agreement

The Corporation's management services are provided by the Manager through the Management Agreement. Pursuant to the Management Agreement, and subject to various terms and conditions thereof, the Manager will provide the following management services to the Corporation:

(i) managing the business of the Corporation, including making all decisions regarding the business of the Corporation that are advisable or consistent with accomplishing the business of the Corporation, with all rights, power and authority conferred by the Management Agreement;

(ii) transacting the business of the Corporation and dealing with and in the assets of the Corporation for the use and benefit of the Corporation, including the power and authority to cause the Corporation to enter into contracts;

(iii) providing the services of up to three appropriately qualified individuals acceptable to the Board to serve as directors of the Corporation, which nominees may have a material relationship with the Corporation and may not be "independent" within the meaning of National Instrument 52-110 – *Audit Committees*;

(iv) providing the services of at least two appropriately qualified individuals to serve as senior officers of the Corporation, including individuals who will serve as the Chief Executive Officer, President, Chief Investment Officer and Chief Financial Officer, or other positions that serve a substantially similar function, as well as providing recommendations for certain appropriately qualified individuals to serve as the remaining officers of the Corporation, if any;

(v) managing, directing, advising and otherwise carrying out any of the Corporation's activities;

(vi) advising the Corporation with respect to all investments that are required or recommended to be implemented with respect to any of the assets of the Corporation;

(vii) operating the head office of the Corporation;

(viii) borrowing money (on a secured or unsecured basis) on behalf of the Corporation, including pursuant to a loan facility, the issue of debt securities or by purchasing securities on margin, subject to and in accordance with the investment policy and credit policy, if any, of the Corporation;

(ix) authorizing payment on behalf of the Corporation of expenses incurred on behalf of the Corporation and the negotiation of contracts with third party providers of services (including, without limitation, prime brokers, registrars and transfer agents, legal counsel, auditors, insurance agents and printers);

(x) preparing or overseeing the preparation of annual budgets for presentation to the Board for approval and monitoring the Corporation's financial performance;

(xi) providing or causing to be provided any records, financial or legal documentation or any other documentation reasonably required by the Chief Financial Officer of the Corporation in the performance of the internal accounting, auditing and legal obligations of the Chief Financial Officer;

(xii) advising the Board on strategic matters relating to the business of the Corporation including the Portfolio and any investment opportunities to enhance the value of the Common Shares;

(xiii) identifying, structuring and negotiating acquisition, disposition, financing and other transactions and managing due diligence in connection therewith;

(xiv) conducting day-to-day relations on behalf of the Corporation with third parties, including the management teams for each asset, suppliers, joint venturers, lenders, brokers, consultants, advisors, accountants, lawyers, insurers and appraisers;

(xv) engage a portfolio manager to manage the Public Portfolio in accordance with the investment objectives and restrictions of the Corporation and shall be responsible for paying the fees of such portfolio manager out of the Management Fee;

(xvi) managing the investor relations activities of the Corporation;

(xvii) managing the Corporation's regulatory compliance, including ensuring all required filings are made; and

(xviii) annually or as otherwise reasonably requested by the Board, making reports to the Board and/or the securityholders of the Corporation of the performance of the Corporation and the Board.

In addition to the Management Fee and the Performance Fee, under the Management Agreement, the Corporation is obligated to reimburse the Manager for all reasonable and necessary actual out-of-pocket costs and expenses paid by the Manager in connection with the performance of the services described in the Management Agreement, including certain specified expenses ancillary to the operations of the Manager, including travel on behalf of the Corporation and office space and services. Notwithstanding the foregoing, the cost of the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and / or Chief Investment Officer, as applicable, will be paid by the Manager. Under the Management Agreement, the Manager is entitled to the fees for its asset management services as described under "— Management and Performance Fee".

The term of the Management Agreement will continue, subject to earlier termination in certain circumstances until the winding-up or dissolution of the Corporation. The Management Agreement may be terminated early in certain circumstances, including (i) upon the dissolution, liquidation, bankruptcy, insolvency or winding-up of the Manager; and (ii) material breach by the Manager of the Management Agreement and, if capable of being cured, any such breach has not been cured within 60 days' written notice of such breach to the Manager. The Manager has the right, at any time, upon 180 days' written notice, to terminate the Management Agreement for any reason. In the event that the Management Agreement is terminated, the Manager is entitled to all accrued and unpaid management and success fees. The Manager may not be removed other than by a meeting of the Shareholders, as described under the heading "Shareholder Matters" and only if the Manager is in material breach or default of the provisions of the Management Agreement and, if capable of being cured, any such breach or default has not been cured within 60 days' notice of such breach or default to the Manager. Similarly, the Management Fee payable under the Management Agreement may not be modified other than by a meeting of the Shareholders, as described under the heading "Shareholder Matters" and only if such modification results in an increase in the Management Fee payable to the Manager.

Management and Performance Fee

The Manager is entitled to an annual management fee of 1.0% of the market capitalization of the Corporation based on the daily volume-weighted average price of the Common Shares calculated and accrued daily and paid by the Corporation to the Manager monthly in arrears (the "**Management Fee**"). The Manager will pay the Investment Manager and certain officers and directors of the Corporation (other than the independent directors) out of the Management Fee.

As soon as practicable following the final Business Day of each calendar quarter (each such date, a "**Performance Fee Payment Date**" and each such period, a "**Performance Fee Period**"), the Manager shall be entitled to a quarterly performance fee (the "**Performance Fee**") payable by the Corporation equal to 20% of the amount by which the sum of (i) the "weighted average market price" of the Common Shares on the CSE (or such other principal market on which the Common Shares are quoted for trading) during the 15 trading days preceding the end of the Performance Fee Period, plus (ii)

distributions, if any, on such Common Shares during such period, exceeds 101.25% of the Threshold Amount (the "**Hurdle Rate**"). The Threshold Amount will be the greater of (i) $2.60; and (ii) the weighted average market price of the Common Shares during the 15 trading days preceding the Performance Fee Payment Date in the last quarter for which a Performance Fee was paid.

For the period from the Closing Date to the end of such quarter, the Hurdle Rate will be reduced proportionately to reflect the number of days remaining in the quarter from the Closing Date to the end of that quarter. In the event that new Common Shares are issued, the Hurdle Rate applicable to the Performance Fee payable with respect to those Common Shares will be reduced proportionately to reflect the number of days remaining in that quarter and the Threshold Amount in respect of such Common Shares for that quarter will be the greater of (i) the issue price of the Common Shares; and (ii) the then current Threshold Amount.

The Manager may elect to receive up to 100% of the Management Fee and Performance Fee in the form of Common Shares, in lieu of cash, subject to requirements of applicable law and availability of cash. The value of each Common Share distributed to the Manager as consideration for the Management Fee and/or Performance Fee, as applicable, will be determined based on the weighted average market price of the Common Shares on the CSE (or such other principal market on which the Common Shares are quoted for trading) during the 15 trading days preceding the date on which the Management Fee and/or Performance Fee, as applicable, is payable.

Operating Expenses

The Corporation will reimburse the Manager for all reasonable and necessary actual out-of-pocket costs and expenses paid by the Manager in connection with the performance of the services described in the Management Agreement, as well as certain specified expenses ancillary to the operations of the Manager, including travel on behalf of the Corporation and office space and services.

The Investment Manager

The Investment Manager, established in 2008, is a Kelowna-based investment management company that specializes in niche investment strategies managed by experienced investment managers with proven track records. The Investment Manager's infrastructure adheres to institutional standards with independent risk management and compliance, and well known third party services providers.

Bruce Campbell, the Corporation's Chief Investment Officer, is also the founder and portfolio manager of the Investment Manager. Mr. Campbell brings over 24 years of investment management experience to the Corporation. Prior to founding the Investment Manager, Mr. Campbell managed investments at a variety of bank owned firms as well as large independent firms. Through the Investment Manager, Mr. Campbell oversees the Redwood Equity Growth, Redwood Income Growth Fund and the StoneCastle Fund.

Known for his unique multi-disciplinary investment strategy, with a focus on the small and mid-cap sectors, Mr. Campbell is a popular speaker at industry events and in the media. Mr. Campbell is a regular guest on Business News Network's ("**BNN**") Market Call and Market Call Tonight programs. When on BNN, Mr. Campbell answers viewer questions on a wide array of companies and sectors and presents top picks ideas that are often a first to BNN.

In 2013, after the MMPR regulations were enacted, Mr. Campbell took notice of the impact these changes would likely have and started to explore the potential for growth of the cannabis sector in Canada. Soon thereafter, Mr. Campbell came to the realization that cannabis would become one of the fastest growing sectors in years to come. With this realization, Mr. Campbell immediately began investing in the sector with an initial investment in Tweed (Canopy Growth) followed by several of the other licensed producer's going public at that time.

As a result of Mr. Campbell's extensive investment experience and his focus on the emerging cannabis sector, he has been asked to speak at several growth conferences, whereby he is introducing investors to the potential of immense growth in this sector. In November 2015, Mr. Campbell was a featured speaker at the Globe and Mail's President's Club conference. At this conference, Mr. Campbell discussed opportunities to invest in what he believed would be the fastest growing sector over the next 10 years. Mr. Campbell has also spoken at Canadian Securities Exchange events specifically focused on investing in cannabis. Mr. Campbell is recognized as one the leaders in the cannabis investment sector

and is often quoted as an industry expert in Bloomberg, The Globe and Mail, Financial Post, Thomson Reuters and the Calgary Herald. Furthermore, Mr. Campbell has been a regular guest on Small Cap Power since 2015 discussing the cannabis sector.

Mr. Campbell is member and founder of Decisive Dividend Corporation (TSX-V), a private equity focused acquisition corporation. Mr. Campbell is currently a director of the company and has been on the Audit committee since its inception in 2013.

Mr. Campbell is a past president of the CFA Okanagan and was active with the CFA Institutes leadership programs for 8 years while serving on the board of CFA Okanagan. Mr. Campbell believes strongly in giving back to his community and donates time to Kidsport, United Way, and Junior Achievement. He has also been a volunteer Coach with Kelowna Minor hockey since 2013. Mr. Campbell and his family actively support education and sport opportunities for children in need through the Campbell Family Foundation.

Investment Management Agreement

Pursuant to the Investment Management Agreement, the Investment Manager is responsible for all investment decisions with respect to the Public Portfolio. Decisions regarding the purchase and sale of securities and the execution of transactions for the Public Portfolio will be made by the Investment Manager, in accordance with and subject to the terms of the Investment Management Agreement. Subject to the terms of the Investment Management Agreement, the Investment Manager will implement the investment strategies of the Public Portfolio on an ongoing basis.

Under the Investment Management Agreement, the Investment Manager will covenant to act at all times on a basis which is fair and reasonable to the Corporation, to act honestly and in good faith with a view to the best interests of the Corporation and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in comparable circumstances. The Investment Management Agreement will provide that the Investment Manager will not be liable in any way under the Investment Management Agreement for any default, failure or defect in any of the securities comprising the Public Portfolio if it satisfied the standard of care, diligence and skill set forth above. The Investment Management Agreement will further provide that the Investment Manager will not be liable for any losses if it has satisfied the standard of care, diligence and skill set forth above. Pursuant to the Investment Management Agreement, the Investment Manager and its officers, directors and employees shall be indemnified by the Corporation against all losses (other than loss of profits), expenses, costs, claims, actions, damages or liabilities (including legal costs on a solicitor-and-client basis) which they may suffer or incur as a result of the wilful misconduct, fraud, negligence, breach or reckless disregard of the duties of the Corporation or its directors, officers or employees under the Investment Management Agreement or a material breach of the Corporation's obligations under the Investment Management Agreement. The Corporation, its directors, officers and employees shall not be liable in any manner to the Investment Manager, its directors, officers or employees with respect to any claims resulting from an act or omission of the Investment Manager involving wilful misconduct, fraud, negligence, breach or reckless disregard of the duties and standard of care of the Investment Manager or a breach of the Investment Manager's obligations under the Investment Management Agreement.

The initial term of the Investment Management Agreement will expire on December 31, 2020 and thereafter will automatically renew for successive one-year periods unless written notice is given by the Investment Manager or the Manager to the other party at least 90 days prior to the start of a renewal term of the terminating party's intention not to renew. Notwithstanding the foregoing, the Investment Management Agreement will automatically terminate on the earlier of, (i) the effective date of the termination of the Manager as the manager of the Corporation; or (ii) the date of wind-up of the Corporation. In addition, the Investment Manager may terminate the Investment Management Agreement immediately, without payment of any penalty: (i) in the event that the Corporation is in material breach of the Investment Management Agreement and the material breach has not been cured within 30 Business Days' notice thereof to the Corporation, or where a material breach cannot be cured within 30 Business Days' notice, but the Corporation has commenced the cure within the 30 Business Day period, within 45 Business Days of such notice; (ii) if there is a material change in the investment strategies, objectives or restrictions of the Corporation to which the Investment Manager has not previously agreed; (iii) if the Corporation becomes bankrupt or insolvent or makes a general assignment for the benefit of its creditors or a receiver is appointed in respect of the Corporation or a substantial portion of its respective assets; and (iv) if the assets of the Corporation become subject to seizure or confiscation by any public or governmental organization. Furthermore, the Manager may terminate the Investment Management Agreement immediately, without payment of any penalty: (i) in the event that the Investment Manager is in material breach of the Investment Management Agreement and the material breach

has not been cured within 30 Business Days' notice thereof to the Investment Manager, or where a material breach cannot be cured within 30 Business Days' notice, but the Investment Manager has commenced the cure within the 30 Business Day period, within 45 Business Days of such notice; (ii) if the Investment Manager becomes bankrupt or insolvent or makes a general assignment for the benefit of the creditors or a receiver is appointed in respect of the Investment Manager or a substantial portion of the assets of the Investment Manager; (iii) if the assets of the Investment Manager become subject to seizure or confiscation by any public or governmental organization; (iv) if the Investment Manager has lost any required registration, license or other authorization or is otherwise deemed legally unable to perform its obligations under the Investment Management Agreement; (v) if the Investment Manager has breached its standard of care or acted with wilful misconduct, fraud or negligence; or (vi) if Bruce Campbell ceases to be principally responsible for the provision of portfolio management services for the Public Portfolio.

In the event that the Investment Management Agreement is terminated as provided above, the Manager shall promptly appoint one or more successor investment advisors to carry out the activities of the portfolio manager to the Corporation.

In consideration for the duties performed by the Investment Manager pursuant to the terms of the Investment Management Agreement, the Manager shall pay the Investment Manager a fee to be agreed upon by the Manager and Investment Manager.

Potential Conflicts of Interest

The management services to be provided or caused to be provided by the Manager under the Management Agreement are not exclusive to the Corporation and nothing in the Management Agreement prevents the Manager or any of its affiliates from providing similar services to other clients (whether or not their activities are similar to those of the Corporation) or from engaging in other activities. The Manager or its affiliates may act as the manager to other funds which may invest primarily in the same securities as the Corporation from time to time invests and which may be considered competitors of the Corporation. In addition, the directors and officers of the Manager or its affiliates may be directors, officers, shareholders or unitholders of one or more issuers in which the Corporation may acquire securities or of corporations which act as the manager of other funds that invest primarily in the same securities as the Corporation from time to time invests and which may be considered competitors of the Corporation. The Manager or its affiliates may be managers or portfolio managers of one or more issuers in which the Corporation may acquire securities and may be managers or portfolio managers of investment funds that invest in the same securities as the Corporation. A decision to invest in such issuers will be made independently by the Investment Manager and without consideration of the relationship of the Manager or its affiliates with such issuers.

The Investment Manager is engaged in a wide range of investment management, investment advisory and other business activities. The services of the Investment Manager under the Investment Management Agreement are not exclusive and nothing in the Investment Management Agreement prevents the Investment Manager or any of its affiliates from providing similar services to other clients (whether or not their investment objectives or strategies are similar to those of the Corporation) or from engaging in other activities. The Investment Manager's investment advice regarding the Portfolio and decisions with respect to the composition of the Portfolio will be made independently of those made for its other clients and independently of its own investments. The Investment Manager has agreed to present all investment opportunities which it believes are suitable for the Corporation to the Investment Committee for its consideration. At the same time, the Investment Manager may recommend the same investment opportunity to one or more of its other clients. On such occasions, where the Investment Committee has approved a proposed investment and the Corporation and one or more of the other clients of the Investment Manager are engaged in the purchase or sale of the same security, such transactions will be effected on a *pro rata* basis. In addition, pursuant to the Investment Management Agreement, the Investment Manager may from time to time receive commissions or other fees for acting as the Corporation's broker in connection with the purchase or sale of Portfolio securities. Any such arrangement shall be on terms that are no less favourable to the Corporation than those available from third parties for comparable services.

See also "Risk Factors — Conflicts of Interest".

Prime Broker

CIBC World Markets Inc. will be appointed to act as the Prime Broker of the Portfolio securities and certain assets of the Corporation pursuant to the Prime Brokerage Agreement. The Prime Broker will be responsible for facilitating short selling of securities by the Corporation and for the safekeeping of all of the investments and other assets of the Corporation delivered to it and will act as the custodian of such assets. The Corporation reserves the right, in its discretion, to change the prime brokerage arrangement described above including, but not limited to, the appointment of a replacement prime broker and/or additional prime broker(s).

PROXY VOTING FOR PORTFOLIO SECURITIES HELD

The proxies associated with securities held by the Corporation will be voted in accordance with the best interests of the Corporation determined at the time the vote is cast.

EXECUTIVE COMPENSATION

Executive and Director Compensation

The Corporation is a newly formed entity and has not completed a financial year. For the period from formation on October 29, 2017 to the date of this Prospectus, no compensation was paid by the Corporation to the directors or to the executive officers. The Corporation will not pay any fees or compensation to its officers or directors other than to the independent directors of the Corporation who will be paid an annual fee of $25,000. Any payments to the officers and directors of the Corporation (other than the independent directors) will be made by the Manager and will be paid out of the Management Fee. The Manager has not yet determined what proportion of the compensation or fees it pays to the individuals performing the functions of executive officers for the Corporation will be attributable to the services provided by such individuals to the Corporation. The officers and directors provided by the Manager may participate in the Corporation's Stock Option Plan.

Long Term Incentive Plan and Stock Appreciation Rights

Other than the Stock Option Plan described below, the Corporation does not and will not have a long-term incentive plan pursuant to which cash or non-cash compensation has been or will be paid or distributed to any director or executive officer. The Corporation does not and will not have any stock appreciation rights or incentive plans.

Stock Option Plan

The Stock Option Plan was adopted by the Board on January 16, 2018. The purpose of the Stock Option Plan is to advance the interests of the Corporation and its Shareholders by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Corporation of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Corporation by ownership of its Common Shares. The Stock Option Plan provides that, subject to the requirements of the CSE, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Stock Option Plan may not exceed 10% of the issued and outstanding shares of the Corporation at the time of granting of options (including all options granted by the Corporation to date).

The number of Common Shares which may be reserved in any 12-month period for issuance to any one individual upon exercise of all stock options held by that individual may not exceed 5% of the issued and outstanding Common Shares of the Corporation at the time of the grant. The number of Common Shares which may be reserved in any 12-month period for issuance to any one consultant may not exceed 2% of the issued and outstanding Common Shares and the maximum number of Common Shares which may be reserved in any 12-month period for issuance to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding Common Shares of the Corporation.

The Stock Option Plan provides that options granted to any person engaged in investor relations activities will vest in stages over 12 months with no more than ¼ of the stock options vesting in any three-month period. The Stock Option Plan will be administered by the Board or a special committee of directors, either of which will have full and final authority with

respect to the granting of all stock options thereunder. Stock options may be granted under the Stock Option Plan to such directors, officers, employees or consultants of the Corporation, as the Board may from time to time designate.

The exercise price of any stock options granted under the Stock Option Plan shall be determined by the Board, but may not be less than the market price of the Common Shares on the CSE on the date of the grant (less any discount permissible under CSE rules). The term of any stock options granted under the Stock Option Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of termination or in the event of death, the term of any stock options granted under the Stock Option Plan may not exceed ten years. Options granted under the Stock Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession. Subject to certain exceptions, in the event that a director or officer ceases to hold office, options granted to such director or officer under the Stock Option Plan will expire 90 days after such director or officer ceases to hold office.

Subject to certain exceptions, in the event that an employee, or consultant ceases to act in that capacity in relation to the Corporation, stock options granted to such employee, consultant or management company employee under the Stock Option Plan will expire 30 days after such individual or entity ceases to act in that capacity in relation to the Corporation.

Stock options granted to optionees engaged in investor relations activities on behalf of the Company expire 30 days after such optionees cease to perform such investor relations activities for the Corporation. In the event of death of an option holder, options granted under the Stock Option Plan expire the earlier of one year from the date of the death of the option holder and the expiry of the term of the option.

As at the closing of the Offering, there will be no stock options outstanding.

Pension Plan Benefits

The Corporation does not have and will not implement a pension plan for its directors or executive officers.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Corporation has not entered into and will not enter into any employment contracts or arrangements with its directors or executive officers.

Compensation Committee

The Corporation does not have a compensation committee.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There is not, and there has not been within 30 days before the date of this Prospectus, any indebtedness owing to the Corporation from any of the directors or executive officers of the Corporation or its former directors or executive officers or any of its subsidiaries or any associate of such person, including indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

AUDIT COMMITTEE, INVESTMENT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

The audit committee of the Corporation is comprised of Messrs. Durfy, Yeoman and Andersen, the majority of whom are "independent" within the meaning of National Instrument 52-110 — *Audit Committees.* Set out below is a brief excerpt from the biographies of Messrs. Durfy, Yeoman and Andersen highlighting the basis for the determination that each of the members of the audit committee is financially literate within the meaning of applicable securities laws. See the biographies set out above under "Directors and Executive Officers" for a full description of the experience of each member of the audit committee.

John Durfy: Mr. Durfy is a graduate of the MBA program at the DeGroote School of Business (McMaster University) and received a Bachelor of Commerce degree from Memorial University of Newfoundland. Mr. Durfy is a Chartered Financial Analyst (CFA) and a Chartered Professional Accountant (CPA, CMA).

Gary Yeoman: Mr. Yeoman is currently serving as Chairman of the board of directors of Golden Leaf Holdings and as Executive Chair of iLOOKABOUT. Mr. Yeoman is also the President of Yeoman and Associates Inc., a private real estate consulting company. From 2005 to 2011, Mr. Yeoman served as Chief Executive Officer of Altus Group, a TSX listed company. Mr. Yeoman was previously employed at the the Ontario Ministry of Finance, Assessment Division.

Paul Andersen: Mr. Andersen is current Managing Partner of Forbes Andersen LLP. After spending nearly a decade as an entrepreneur, Mr. Andersen joined the firm in 1999. A graduate of the University of Toronto, Mr. Andersen currently holds the Canadian CPA, CA designation and the U.S. CPA and CGMA designations.

The audit committee will assist the Corporation in fulfilling its responsibilities of oversight and supervision of its accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, and the quality and integrity of its financial statements. In addition, the audit committee will be responsible for directing the auditors' examination of specific areas, for the selection of the Corporations' independent auditors and for the approval of all non-audit services for which its auditors may be engaged.

The Board has adopted a written charter for the audit committee which sets out the audit committee's responsibility in reviewing the financial statements of the Corporation and public disclosure documents containing financial information and reporting on such review to the Board, review of the Corporation's public disclosure documents that contain financial information, oversight of the work and review of the independence of the external auditors and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management. The written charter of the audit committee is set out in Schedule "A" to this Prospectus.

The Corporation is newly established and has not yet had a fiscal year end. As a result, there have been no fees billed to the Corporation by its auditors, MNP LLP, in respect of the Corporation's last two fiscal years.

Investment Committee

The Corporation will establish an investment committee ("**Investment Committee**") to monitor its Portfolio on an ongoing basis and to review the status of its investments at least once a month or on an as-needed basis. The Investment Committee will be subject to the direction of the Board, and will consist of at least three members, including two members of the Board. The members of the Investment Committee shall be appointed annually by the Board at the first Board meeting subsequent to the annual meeting of Shareholders or on such other date as the Board shall determine. Members of the Investment Committee may be removed or replaced by the Board. Officers of the Corporation may be members of the Investment Committee. Each member of the Investment Committee shall be financially literate. The Board has adopted a written charter for the Investment Committee setting out its responsibilities. Pursuant to the charter, the Investment Committee has the authority to approve certain transactions.

Initially, it is expected that the members of the Investment Committee will include directors and/or officers of the Corporation; however, the Corporation may also utilize, or appoint to the Investment Committee, qualified independent financial or technical consultants approved by the Board to assist the Investment Committee in making its investment decisions. Nominees to the Investment Committee shall be recommended by the Board.

On closing of the Offering, the Investment Committee shall be comprised of Bruce Campbell, Chief Investment Officer, Nick J. Richards, independent director, and John Durfy, independent director.

Corporate Governance

John Durfy, Gary Yeoman, Nick J. Richards, Brayden Sutton, Jamie Blundell and Paul Andersen are the directors of the Corporation. Messrs. Durfy, Yeoman, Richards and Sutton are independent. Messrs. Blundell and Andersen are non-independent. The majority of the directors on the Board are independent within the meaning of applicable securities laws. See "Organization and Management Details of the Corporation — Potential Conflicts of Interest" and "Risk Factors — Conflicts of Interest".

At each of the regularly scheduled meetings of the Board, there will be an in-camera meeting at which any non-independent directors and management are not present. The Board has not held any meetings since the incorporation of the Corporation other than to approve the Prospectus, this Offering and related matters thereto.

The mandate of the Board will be one of stewardship and oversight of the Corporation and its business. In fulfilling its mandate, the Board will adopt a written charter setting out its responsibility, among other things, for (i) supervising the activities and managing the investments and affairs of the Corporation; (ii) approving major decisions regarding the Corporation; (iii) overseeing the Manager and the fulfilment of its responsibilities under the Management Agreement; (iv) identifying and managing risk exposure; (v) ensuring the integrity and adequacy of the Corporation's internal controls and management information systems; (vi) succession planning; (vii) maintaining records and providing reports to Shareholders; (viii) ensuring effective and adequate communication with Shareholders, other stakeholders and the public; and (ix) determining the amount and timing of distributions to Shareholders, if any.

The Board has not developed written position descriptions for any committee chairs. The Board will delineate the roles and responsibilities of any chair of the Board or of committee chairs by consensus among the directors from time to time.

The Corporation will adopt a written code of conduct (the "**Code of Conduct**") that applies to all directors, officers, and the Manager and its employees. The objective of the Code of Conduct is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the Corporation and its subsidiaries. The Code of Conduct addresses conflicts of interest, protecting the Corporation's assets, confidentiality, fair dealing with security holders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. As part of the Code of Conduct, any person subject to the Code of Conduct is required to avoid or fully disclose interests or relationships that are harmful or detrimental to the Corporation's best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Board will have the ultimate responsibility for the stewardship of the Code of Conduct. The Code of Conduct will also be filed with the Canadian securities regulatory authorities on SEDAR at www.sedar.com.

The directors are subject to standard of care imposed on directors of a corporation governed by the CBCA. Accordingly, each director will be required to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of the Corporation and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent director would exercise in comparable circumstances.

The Corporation maintains a director and officer insurance program to limit the Corporation's exposure to claims against, and to protect, its directors and officers. In addition, following the completion of this Offering, the Corporation will enter into indemnification agreements with each of its directors and officers. The indemnification agreements will generally require that the Corporation indemnify and hold the indemnitees harmless to the greatest extent permitted by law for liabilities arising out of the indemnitees' service to the Corporation as directors and officers, provided that the indemnitees acted honestly and in good faith and in a manner the indemnitees reasonably believed to be in, or not opposed to, the Corporation's best interests and, with respect to criminal and administrative actions or proceedings that are enforced by monetary penalty, the indemnitees had no reasonable grounds to believe that his or her conduct was unlawful. The indemnification agreements also provide for the advancement of defence expenses to the indemnitees by the Corporation. Statutory indemnification rights also apply. The escrowed proceeds will not be accessible to cover any of the foregoing indemnities.

The Board does not have a compensation committee. The Board has no committees other than the audit committee and Investment Committee. The directors will be regularly assessed with respect to their effectiveness and contribution.

PLAN OF DISTRIBUTION

Maximum and Minimum Offering

The Corporation will co-ordinate through the Agents, by this Prospectus, the offer to sell to the public in each of the provinces and territories of Canada, except Québec, up to a maximum of $75,000,000 of Units at a price of $2.50 per Unit. Purchasers are required to acquire a minimum of 400 Units.

There will be no closing unless a minimum of $5,000,000 of Units are sold pursuant to this Offering. The distribution under this Offering will not continue for a period of more than 90 days after the date of the receipt for this Prospectus, unless each of the persons or companies who subscribed within that period consents to the continuation and an amendment to this Prospectus is filed for which a receipt is provided. During such 90-day period, funds received from subscriptions will be held by the Agents in trust. If the minimum number of Units are not sold during the 90-day period these funds will be returned to the subscribers, without interest or deduction, unless the subscribers have otherwise instructed the Agents. Assuming the Minimum Offering is achieved, it is expected that the Closing Date will be on or about January 26, 2018.

The CSE has conditionally approved the listing of the Common Shares and Warrants. Listing of the Common Shares and Warrants is subject to the Corporation fulfilling all of the requirements of the CSE.

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

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

Agency Agreement

Pursuant to an agency agreement made as of January 16, 2018 among the Corporation, the Manager and the Agents (the "**Agency Agreement**"), the Agents have agreed to offer the Units for sale on a "best efforts" basis until not later than 90 days after a receipt for this Prospectus is issued, in consideration of the Agents' Fee equal to 5.5% of the Units sold under the Offering. In addition, the Corporation has agreed to grant Agents' Options to the Agents equal in number to 5.5% of the number of Units sold under the Offering. Each Agents' Option will entitle the Agents to purchase one Unit, at an exercise price equal to $2.50 per Unit for a period of 24 months from the Closing Date. In the event that the Agents' Options are not exercised prior to the Expiry Time, the Agents will only be entitled to receive the Common Shares underlying the Units upon any subsequent exercise of the Agents' Option. The Warrants underlying the Units issuable upon exercise of the Agents' Option will be void and of no value at the Expiry Time.

The Corporation has granted to the Agents the Over-Allotment Option, which is exercisable for a period of 30 days from the Closing Date to purchase up to 15% of the aggregate number of Units issued on the Closing Date on the same terms as set out above solely to cover over-allocations, if any. To the extent the Over-Allotment Option is exercised in full under the Maximum Offering, the total price to the public under the Offering will be $75,000,000, the Agents' Fee will be $4,125,000 and the net proceeds to the Corporation, before expenses of the Offering, will be $70,875,000. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Units issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Agents' over-allocation position acquires such Units under this Prospectus, regardless of whether the Agents' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

There will be no closing unless a minimum of $5,000,000 of Units are sold pursuant to this Offering. The distribution under this Offering will not continue for a period of more than 90 days after the date of the receipt for this

Prospectus, unless each of the persons or companies who subscribed within that period consents to the continuation and an amendment to this Prospectus is filed for which a receipt is provided. During such 90-day period, funds received from subscriptions will be held by the Agents in trust. If the minimum number of Units are not sold during the 90-day period these funds will be returned to the subscribers, without interest or deduction, unless the subscribers have otherwise instructed the Agents.

The obligations of the Agents under the Agency Agreement may be terminated at any time at the Agents' discretion on the basis of its assessment of the state of the financial markets and may also be terminated at any time on the occurrence of certain stated events.

Currently, the Agents do not beneficially own, directly or indirectly, any securities of the Corporation. Other than 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 this Offering.

The price to the public of the Units was determined by negotiation between the Agents and the Manager, on behalf of the Corporation.

Registration and transfers of the Common Shares and Warrants comprising the Units will be effected only through the book entry only system administered by CDS. Book entry only certificates representing the Units will be issued in registered form only to CDS or its nominee, and will be deposited with CDS on the closing of the Offering. A purchaser of Units will receive only customer confirmation from the registered dealer which is a CDS Participant and from or through which Units are purchased. Beneficial owners of Units will not have the right to receive physical certificates evidencing their ownership of such securities or the Common Shares and Warrants underlying such securities.

Registration and transfers of Common Shares and Warrants comprising the Units will be effected by Odyssey Trust Company as transfer agent.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Wildeboer Dellelce LLP, counsel to the Agents, the following is a summary of the principal Canadian federal income tax considerations generally relevant to investors who acquire Units pursuant to this Offering and Warrant Shares on the exercise of Warrants forming part of such Units and who, for purposes of the Tax Act and at all relevant times, are resident or are deemed to be resident in Canada, hold their Common Shares, Warrant Shares and Warrants as capital property, deal at arm's length with the Corporation and the Agents and are not affiliated with the Corporation or the Agents (each, a "**Holder**").

Generally, Common Shares, Warrant Shares and Warrants will be considered to be capital property to a Holder provided the Holder does not hold such Common Shares, Warrant Shares and Warrants in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Holders who might not otherwise be considered to hold their Common Shares or Warrant Shares as capital property may, in certain circumstances, be entitled to have such securities and all other "Canadian securities" within the meaning of the Tax Act owned or subsequently acquired by them treated as capital property by making an irrevocable election in accordance with the Tax Act. This election will not apply in respect of Warrants. Holders should consult their own tax advisors concerning this election.

This summary is based upon the facts set out in this Prospectus, the current provisions of the Tax Act, and counsel's understanding of the current administrative policies and assessing practices of the CRA published in writing prior to the date hereof and relies as to certain factual matters on certificates of an officer of the Corporation and the Agents. Other than the July 2017 Proposed Amendments (as defined below), this summary also takes into account all specific proposals to amend the Tax Act announced and not withdrawn prior to the date hereof by or on behalf of the Minister of Finance (Canada) (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. No assurances can be given that the Proposed Amendments will become law as proposed or at all.

This summary is based on the assumption that the Common Shares, Warrant Shares and Warrants will, at all times, be listed on a designated stock exchange in Canada for purposes of the Tax Act (which currently includes the CSE). This summary is also based upon the assumption that the Corporation's investment restrictions will at all relevant times be as set

out under the heading "Description of the Activities of the Corporation — Investment Restrictions" and that the Corporation will at all times comply with such investment restrictions.

This summary is not exhaustive of all possible Canadian federal income tax considerations and, in particular, does not describe income tax considerations relating to the deductibility of interest on money borrowed to acquire Common Shares or Warrants. This summary does not take into account or anticipate any changes in law or in the administrative policies or assessing practices of the CRA, whether by legislative, governmental or judicial action, other than the Proposed Amendments. This summary does not deal with foreign, provincial or territorial income tax considerations, which might differ from the federal considerations set out herein.

This summary does not apply (i) to a Holder that is a "financial institution" as defined in section 142.2 of the Tax Act or a "specified financial institution" as defined in the Tax Act; (ii) to a Holder an interest in which is a "tax shelter investment" as defined in subsection 143.2(1) of the Tax Act; (iii) to a Holder to which the "functional currency" reporting rules in section 261 of the Tax Act apply; or (iv) to a Holder who has entered into a "derivative forward agreement" as defined in subsection 248(1) of the Tax Act with respect to Common Shares or Warrants.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the tax cost of earning passive investment income through a private corporation (the "**July 2017 Proposed Amendments**"). No specific amendments to the Tax Act were proposed in connection with this announcement. Investors that are private corporations should consult their own tax advisors.

This summary is of a general nature only and does not constitute legal or tax advice to any particular investor. Accordingly, prospective investors are advised to consult their own tax advisors with respect to their individual circumstances.

Taxation of the Corporation

The Corporation will be required to include in computing its income for a taxation year all dividends received in the year. In computing taxable income, the Corporation is generally permitted to deduct all dividends received by it from taxable Canadian corporations. In certain circumstances, subsection 55(2) of the Tax Act may treat a taxable dividend received by the Corporation as proceeds of disposition or a capital gain.

Dividends received by the Corporation from foreign issuers may be subject to foreign withholding taxes. Depending on the circumstances, the Corporation may be entitled to a foreign tax credit or deduction in respect of such foreign withholding taxes.

With respect to indebtedness, the Corporation is required to include in its income for a taxation year all interest thereon that accrues (or is deemed to accrue) to it to the end of that year (or until the disposition of the indebtedness in the year) or that has become receivable or is received by the Corporation before the end of that year, including on a conversion, redemption or repayment on maturity, except to the extent that such interest was included in computing the Corporation's income for a preceding year.

The Corporation is entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing Common Shares. Such issue expenses paid by the Corporation and not reimbursed are deductible by the Corporation rateably over a five-year period subject to reduction in any taxation year which is less than 365 days. Generally, the Corporation is also entitled to deduct reasonable administrative and other ongoing expenses incurred by it for the purpose of earning income.

Generally, the Corporation will be considered to hold Portfolio securities on capital account unless the Corporation were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Corporation has acquired the securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Corporation has advised counsel that it will purchase Portfolio securities with the objective of earning dividends and distributions thereon over the life of the Corporation, and therefore intends to treat and report transactions undertaken in respect of Portfolio securities on capital account. The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or

obtained. If any of the transactions undertaken by the Corporation were treated on income rather than capital account (whether because of the DFA Rules discussed below or otherwise), after-tax returns to Shareholders could be reduced.

The Corporation is not a mutual fund corporation for purposes of the Tax Act, and as such is not entitled to a refund of tax paid by it in respect of its net realized capital gains, and cannot pay "capital gains dividends" to Holders.

One-half of a capital gain realized by the Corporation will be included in computing its income as a taxable capital gain and one-half of a capital loss must generally be deducted against taxable capital gains to the extent and under the circumstances prescribed in the Tax Act. Where the Corporation has realized a capital loss in a taxation year, it may carry such capital loss back three years or forward indefinitely to offset capital gains recognized by the Corporation in accordance with the rules of the Tax Act.

A loss realized by the Corporation on a disposition of capital property will be a suspended loss for purposes of the Tax Act if the Corporation, or a person affiliated with the Corporation, acquires a property (a "**substituted property**") that is the same as or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Corporation, or a person affiliated with the Corporation, owns the substituted property 30 days after the original disposition. If a loss is suspended, the Corporation cannot deduct the loss from the Corporation's capital gains until the substituted property is sold and is not reacquired by the Corporation, or a person affiliated with the Corporation, within 30 days before and after the sale.

In general, gains and losses realized by the Corporation from short sales will be on income account except where such short sales are undertaken to hedge portfolio securities held on capital account provided there is sufficient linkage and such gains and losses will be recognized for tax purposes at the time they are realized by the Corporation in accordance with the CRA's published administrative practice.

The Corporation will enter into transactions denominated in currencies other than the Canadian dollar. The cost and proceeds of disposition of Portfolio securities, dividends and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard. The amount of income, gains and losses realized by the Corporation may be affected by fluctuations in the value of foreign currencies relative to the Canadian dollar.

The DFA Rules target financial arrangements (referred to as "derivative forward agreements") that seek to deliver a return based on an "underlying interest" (other than certain excluded underlying interests). The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of transactions entered into by the Corporation, gains realized in respect of the property underlying such transactions could be treated as ordinary income rather than capital gains.

In computing its taxable income, the Corporation may be entitled to a deduction in respect of a portion or the entire amount of any dividends received by it from a foreign affiliate. A corporation not resident in Canada may be a "foreign affiliate" of the Corporation for purposes of the Tax Act if, in general terms, the Corporation (and any related persons) together hold 10% of more of the shares of any class or series of the corporation.

The nature and extent of the deduction in respect of foreign affiliates will depend on whether the distribution is prescribed to have been paid out of the applicable foreign affiliate's "exempt surplus", "hybrid surplus", "taxable surplus" or "pre-acquisition surplus" (as such terms are defined in the Tax Act) as described below. The Corporation will be entitled to a deduction equal to that portion of any dividend received by it from a foreign affiliate that is prescribed to have been paid out of the foreign affiliate's exempt surplus. The Corporation will be entitled to a deduction equal to one-half of the portion of any dividend received by it from a foreign affiliate that is prescribed to have been paid out of the foreign affiliate's hybrid surplus, plus an additional deduction in respect of the other half of any such dividend received by it based on a gross-up of the foreign tax prescribed to be applicable to such dividend. A dividend prescribed to be paid out of the foreign affiliate's taxable surplus will be deductible to the extent of an amount based on a gross-up of the foreign tax prescribed to be applicable to such dividend. Finally, the Corporation will be entitled to a deduction equal to that portion of any dividend received by it from a foreign affiliate that is prescribed to have been paid out of the foreign affiliate's pre-acquisition surplus, however, the Corporation will be required to reduce the adjusted cost base of its shares of the foreign affiliates by a corresponding amount (net of any foreign withholding tax, if any, paid in respect of the portion of the distribution prescribed to have been paid out of pre-acquisition surplus). If the adjusted cost base to the Corporation of its shares of a foreign affiliate

becomes a negative amount, the Corporation will be deemed to realize a capital gain equal to the absolute value of such negative amount at that time.

To the extent that any "controlled foreign affiliate" ("**CFA**") of the Corporation earns income that is characterized as "foreign accrual property income" ("**FAPI**") as such terms are defined in the Tax Act in a particular taxation year of the CFA, the amount of such FAPI allocable (directly or indirectly) to the Corporation must be included in computing the income of the Corporation for purposes of the Tax Act for the fiscal period of the Corporation in which the taxation year of the CFA ends, whether or not the Corporation actually receives a distribution of that FAPI.

A corporation not resident in Canada may be a CFA of the Corporation for purposes of the Tax Act if, in general terms, it is a foreign affiliate of the Corporation and is controlled by the Corporation, or by the Corporation together with up to four other shareholders of the affiliate who are resident in Canada and any other shareholders not dealing at arm's length with such shareholders. Generally speaking, FAPI of a CFA of the Corporation will include the CFA's income from property (such as dividends on shares and interest on debt investments) and certain other income.

An amount of FAPI included in the income of the Corporation on shares of a CFA will generally increase the adjusted cost base to the Corporation of its shares of such CFA. If, thereafter, the Corporation receives a dividend on its shares of the CFA, that dividend will generally be deductible in computing the income of the Corporation to the extent of such prior increase in the adjusted cost base of the shares, and the adjusted cost base of the shares of the CFA will be correspondingly reduced.

Allocation of Cost of Units

A Holder who acquires Units will be required to allocate the purchase price for each Unit on a reasonable basis between the Common Share and the Warrant comprising each Unit in order to determine their respective costs to such Holder for purposes of the Tax Act. For its purposes, the Corporation intends to allocate $2.21 of the offering price as consideration for the issue of each Common Share and $0.29 of the offering price as consideration for the issue of each Warrant. Although the Corporation believes that its allocation is reasonable, it is not binding on the CRA or the Holders.

Taxation of Holders of Common Shares and Warrant Shares

Holders must include in income all dividends received from the Corporation. For individual Holders, dividends will be subject to the usual gross-up and dividend tax credit rules with respect to taxable dividends paid by taxable Canadian corporations under the Tax Act. An enhanced gross-up and dividend tax credit is available on "eligible dividends" received or deemed to be received from a taxable Canadian corporation which are so designated by the corporation.

Dividends received by a corporation will generally be deductible in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act may treat a taxable dividend received by a Holder that is a corporation as proceeds of disposition or a capital gain. Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Holder which is a private corporation for purposes of the Tax Act, or any other corporation controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) may be liable to pay a 38 1/3% refundable tax under Part IV of the Tax Act on dividends received on Common Shares, to the extent that such dividends are deductible in computing the corporation's taxable income. The tax payable by a Holder under Part IV of the Tax Act may be refunded to the extent the Holder pays sufficient taxable dividends.

Upon the sale or other disposition of a Common Share (except to the Corporation), a capital gain (or a capital loss) will be realized by the Holder to the extent that the proceeds of disposition of the Common Share exceed (or are less than) the aggregate of the adjusted cost base of the Common Share and any reasonable costs of disposition. If the Holder is a corporation, any capital loss arising on the disposition of a Common Share may in certain circumstances be reduced by the amount of any dividends received on the Common Share. Analogous rules apply to a partnership or trust of which a corporation, partnership or trust is a member or beneficiary.

For purposes of computing the adjusted cost base of each Common Share acquired by a Holder, a Holder must average the cost of such Common Share with the adjusted cost base of any Common Shares already held as capital property.

One-half of a capital gain is included in computing income as a taxable capital gain and one-half of a capital loss must generally be deducted against taxable capital gains to the extent and under the circumstances prescribed in the Tax Act. A Holder that is a Canadian-controlled private corporation will be subject to an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act), which includes an amount in respect of taxable capital gains. The additional tax is refundable to the extent the Holder pays sufficient taxable dividends.

Individuals (other than certain trusts) realizing net capital gains or receiving dividends may be subject to an alternative minimum tax under the Tax Act.

Taxation of Holders of Warrants

Exercise of Warrants

No gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging the cost of such Warrant Share with the adjusted cost base immediately before that time of any other Common Shares owned by the Holder as capital property at such time.

Expiry of Warrants

The expiry of an unexercised Warrant generally will result in a capital loss to the Holder equal to the adjusted cost base of the Warrant to the Holder immediately before its expiry. Such capital loss will be subject to the tax treatment of capital losses described above under "Taxation of Holders of Common Shares".

Dispositions of Warrants

A Holder who disposes, or is deemed to dispose, of a Warrant (which does not include on the exercise thereof) generally will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Holder of such Warrant immediately before the disposition or deemed disposition.

Such capital gain (or capital loss) will be subject to the tax treatment of capital gains and losses described above under "Taxation of Holders of Common Shares".

Taxation of Plans

Plans, as holders of Common Shares, generally will be exempt from tax on any dividend or other income derived from such Common Shares and on any capital gain realized upon the sale or other disposition of such Common Shares. If and when cash or securities are withdrawn from a Plan, other than from a TFSA, the holder of the Plan generally will be liable to pay income tax based on the amount of cash or the fair market value of the securities withdrawn, unless the cash or securities are transferred to another Plan in accordance with the Tax Act.

INTERNATIONAL INFORMATION REPORTING

The Tax Act includes provisions which implement the Organization for Economic Co-operation and Development Common Reporting Standard and the Canada-United States Enhanced Tax Information Exchange Agreement (the "**International Information Exchange Legislation**"). Pursuant to the International Information Exchange Legislation, certain "Canadian financial institutions" (as defined in the International Information Exchange Legislation) are required to have procedures in place, in general terms, to identify accounts held by residents of foreign countries or by certain entities organized in or the "controlling persons" of which are resident in a foreign country (or, in the case of the United States, of which the holder or any such controlling person is a citizen) and to report required information to the CRA. Such information would be exchanged by the CRA on a reciprocal, bilateral basis with the countries in which the account holder or any such controlling person is resident (or of which such holder or person is a citizen, where applicable), where such countries (including the United States) have agreed to a bilateral information exchange with Canada to which the International

Information Exchange Legislation applies. Under the International Information Exchange Legislation, holders of Common Shares or Warrants may be required to provide certain information regarding their tax status for the purpose of such information exchange (which information exchange is expected to occur beginning in May, 2018 or, in the case of the United States, is already occurring), unless the investment is held within Plans.

RISK FACTORS

The purchase of Units involves a number of risk factors. The risks described below are not the only risks involved with an investment in the Units. If any of the following risks occur, or if others occur, the Corporation's business, operating results and financial condition could be seriously harmed and purchasers may lose all of their investment. In addition to the risk factors set forth elsewhere in this Prospectus, prospective purchasers should consider the following risks associated with a purchase of such Units:

No Assurances on Achieving Investment Objectives

There is no assurance that the Corporation will be able to return to investors an amount equal to or in excess of the original issue price of the Units. There is no guarantee that an investment in the Corporation will earn any positive return in the short or long term nor is there any guarantee that the investment objectives will be achieved. An investment in the Corporation involves a degree of risk and is appropriate only for investors who have the capacity to absorb investment losses.

Risks Relating to the Portfolio Issuers

As the Corporation will invest in businesses in the cannabis industry, the Corporation will be subject to certain risk factors to which the Portfolio issuers are subject and which could affect the business, prospects, financial position, financial condition or operating results of the Corporation as a result of its investment in such issuer.

Risks Relating to Medical Cannabis

Cannabis is not an approved drug or medicine in Canada. The Government of Canada does not endorse the use of cannabis, but Canadian courts have required reasonable access to a legal course of cannabis when authorized by a healthcare practitioner.

Legalization of Recreational Cannabis

On June 30, 2016, the Canadian Federal Government established the Task Force to seek input on the design of a new system to legalize, strictly regulate and restrict access to cannabis. On December 13, 2016, the Task Force published a report outlining its recommendations. On April 13, 2017, the Canadian Federal Government released Bill C-45, which proposes the enactment of the Cannabis Act (Canada), to regulate the production, distribution and sale of cannabis for unqualified adult use. On November 27, 2017, the House of Commons passed Bill C-45, and on December 20, 2017, the Prime Minister communicated that the Canadian Federal Government intends to legalize cannabis in the summer of 2018, despite previous reports of a July 1, 2018 deadline. It is unknown whether these regulatory changes will be implemented. Several recommendations from the Task Force reflected in the *Cannabis Act* (Canada) including, but not limited to, permitting home cultivation, potentially easing barriers to entry into the Canadian recreational cannabis market and restrictions on advertising and branding, could materially and adversely affect the business, financial condition and results of operations of market participants. Their advice will be considered by the Government of Canada as a new framework for recreational cannabis is developed and it is possible that such developments could significantly adversely affect the business, financial condition and results of operations of market participants.

On October 3, 2017, the Parliamentary Standing Committee on Health (the "**HESA**") proposed amendments to the *Cannabis Act* (Canada) to provide, among other things, that edibles containing cannabis and cannabis concentrates would be added to the classes of cannabis an authorized person may sell. In addition, HESA's proposed amendments provide that a framework for sale of edibles and cannabis concentrates would be implemented within a year of the *Cannabis Act* (Canada) coming into force. HESA's proposed amendments were incorporated Bill C-45, which was passed by the House of Commons on November 27, 2017. Bill C-45 is currently before the Senate.

On November 10, 2017, the federal Department of Finance issued legislative and regulatory proposals for the taxation of cannabis. The proposed rules would effectively place cannabis producers within the existing rules that currently apply excise duties on tobacco, wine and spirits producers under the Excise Act, 2001 (Canada), with modifications as applicable. These rules include a new tax licensing regime for cannabis producers, stamping and marking rules, ongoing reporting requirements, and applicable excise duties payable by licensed cannabis producers on both recreational and medical cannabis products, in addition to GST/HST under the *Excise Tax Act* (Canada). The cannabis excise duty framework is proposed to generally be in effect by the date that legal cannabis for non-medical purposes becomes accessible for retail sale under the proposed *Cannabis Act* (Canada), which is intended to be in the summer of 2018.

The proposed *Cannabis Act* (Canada) is not yet in force, and the regulations to the Cannabis Act (Canada) have not yet been published. There can be no assurance that the legalization of recreational cannabis by the Government of Canada will occur on the terms in the proposed *Cannabis Act* (Canada) or at all, and the legislative framework pertaining to the Canadian recreational cannabis market is uncertain.

Regulatory Risks

The cannabis sector is 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 Portfolio issuers may 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 Portfolio issuers and, therefore, on the Corporation's prospective returns.

The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Portfolio issuers and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Portfolio Issuer's earnings and could make future capital investments or the Portfolio Issuer's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

On January 4, 2018, U.S. Attorney General Jeff Sessions issued a memorandum to U.S. district attorneys which rescinded previous guidance from the U.S. Department of Justice specific to cannabis enforcement in the United States, including the Cole Memorandum. With the Cole Memorandum rescinded, U.S. federal prosecutors no longer have guidance relating to the exercise of their discretion in determining whether to prosecute cannabis related violations of U.S. federal law. On January 12, 2018, the Canadian Securities Administrators issued a statement that they are considering whether the disclosure-based approach for issuers with U.S. marijuana-related activities remains appropriate in light of the rescission of the Cole Memorandum. As a result, the Corporation provided an undertaking to the Canadian Securities Administrators which provides that the Corporation will limit its investments in the Public Portfolio and the Private Portfolio to entities that are not engaged in any U.S. marijuana-related activities (as such term is defined in CSA Staff Notice 51-352 – *Issuers with U.S. Marijuana-Related Activities*), until such time as the Canadian Securities Administrators communicate a position regarding issuers with U.S. marijuana-related activities.

Risks Relating to the Performance of the Portfolio Issuers

The value of the assets of the Corporation will vary as the value of the securities in the Portfolio changes. The Corporation has no control over the factors that affect the value of the securities in the Portfolio. Factors unique to each company included in the Portfolio, such as changes in its management, strategic direction, achievement of goals, mergers, acquisitions and divestitures, changes in distribution policies, changes in law and regulation and other events, may affect the value of the securities in the Portfolio. A substantial drop in equities markets could have a negative effect on the Corporation and could lead to a significant decline in the value of the Portfolio and the value of the Common Shares and Warrants.

The value of the securities acquired by the Corporation will be affected by business factors and risks that are beyond the control of the Manager or the Investment Manager, including:

(a) operational risks related to specific business activities of the respective issuers;

(b) quality of underlying assets;

(c) financial performance of the respective issuers and their competitors;

(d) product liability risks;

(e) political risks;

(f) fluctuations in exchange rates;

(g) fluctuations in interest rates; and

(h) changes in government regulations.

Risks Relating to the Valuation of the Portfolio

Fluctuations in the respective market values of the securities in the Portfolio may occur for a number of reasons beyond the control of the Corporation, and may be both volatile and rapid with potentially large variations over a short period of time. Independent pricing information regarding certain of the Corporation's securities and other investments may not be readily available at all times. Valuation determinations will be made in good faith by the Corporation. The Corporation may have some of its assets in investments which by their very nature may be extremely difficult to value accurately.

Risks Relating to the Licensing Process

The medical marijuana rules in Canada are constantly changing following the major changes to the governing regulations in the industry. As a result, patient and producer rights are in flux. The future business endeavors of the issuers that the Corporation invests in may be subject to receiving regulatory certification or accreditation through Health Canada, or any other applicable regulatory authority. Such licensing, certification or accreditation may include, but not be limited to: licenses issued under the *Controlled Drugs and Substances Act* and the *Narcotic Control Regulations*, GMP Certification and ISO certification. These licensing requirements are stringent and there is no guarantee that the regulatory authorities will issue, extend or renew any license or, if it is extended or renewed, that it will be extended or renewed on the same or similar terms as initially granted. Failure to comply with the requirements of a license or any failure to maintain a license would have a material adverse impact on the business, financial condition and operating results of the issuers which the Corporation invests in which could have a negative effect on the Corporation and could lead to a significant decline in the value of the Portfolio and the value of the Common Shares and Warrants.

No Current Market for Common Shares or Warrants

There is currently no market through which the Common Shares or Warrants may be sold and purchasers may not be able to resell such Common Shares or Warrants.

Recent and Future Global Financial Developments

Global financial markets have experienced increased volatility in the last several years. This has been, in part, the result of the revaluation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. While central banks as well as global governments have worked to restore much needed liquidity to the global economies, no assurance can be given that the combined impact of the significant revaluations and constraints on the availability of credit will not continue to materially and adversely affect economies around the world. No assurance can be given that efforts to respond to the crisis will continue or that, if continued, they will be successful or these economies will not be adversely affected by the inflationary pressures resulting from such efforts or central banks' efforts to slow inflation. Further, continued market concerns about the developments in the Middle East, the Ukraine and North Korea, matters related to the United Kingdom's withdrawal from the EU, and matters related to the U.S. government debt limits, may adversely impact global equity markets. Some of these economies have experienced significantly diminished growth and some are experiencing or have experienced a recession. These market conditions and further volatility or illiquidity in capital markets may also adversely affect the prospects of the Corporation and the value of the Portfolio.

Industry Concentration Risk

In following its investment strategy, the Corporation will invest in issuers in the cannabis sector and supplementary industries. Accordingly, the Corporation will face more risks than if it were diversified broadly over numerous industries or sectors and the stock price of the Common Shares and Warrants of the Corporation may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. This may have a negative impact on the value of the Common Shares and Warrants.

Illiquid Securities and Private Securities

There is no assurance that an adequate market will exist for the securities held in the Portfolio, including the Private Portfolio. The Corporation cannot predict whether the securities held by it will trade at a discount to, a premium to, or at their fair value, if applicable. If the market for a specific security is particularly illiquid, the Corporation may be unable to dispose of such securities or may be unable to dispose of such securities at an acceptable price.

Up to 40% of the Corporation's total assets may be invested in the Private Portfolio. The Private Portfolio will typically be held in companies that are small in size, and are therefore subject to greater risk based on economic and regulatory changes. There is generally little or no publicly available information about such businesses, and the Corporation must rely on the diligence of its employees and consultants to obtain the information necessary for its decision to invest in them. There can be no assurance that such diligence efforts will uncover all material information about these privately held businesses.

Investments in private companies may be riskier, more volatile and more vulnerable to economic, market and industry changes than investments in larger, more established companies. The valuation of securities of private companies is not based upon a liquid market, and valuations of these securities may be substantially higher or lower than the valuation of the securities when and if they are traded in the public market. Therefore, the value of the Private Portfolio, and the Corporation as a whole, may change substantially when such private issuers become traded in the public market.

There can be no assurance that a public market will develop for any of the issuers in the Private Portfolio or that the Corporation will otherwise be able to realize a return of capital on the sale of such investments.

Risk Factors Related to the United States

Unlike in Canada which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical cannabis under the ACMPR, investors are cautioned that in the United States, cannabis is largely regulated at the state level. To the Corporation's knowledge, there are to date a total of 29 states, plus the District of Columbia, Puerto Rico and Guam that have legalized cannabis in some form. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a controlled substance under the CSA and as such, violates federal law in the United States.

The U.S. Congress has passed appropriations bills each of the last three years that have not appropriated funds for prosecution of cannabis offenses of individuals who are in compliance with state medical cannabis laws. American courts have construed these appropriations bills to prevent the federal government from prosecuting individuals when those individuals comply with state law. However, because this conduct continues to violate federal law, American courts have observed that should Congress at any time choose to appropriate funds to fully prosecute the CSA, any individual or business - even those that have fully complied with state law - could be prosecuted for violations of federal law. And if Congress restores funding, the government will have the authority to prosecute individuals for violations of the law before it lacked funding under the CSA's five-year statute of limitations.

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 Corporation, 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 Corporation 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.

Cannabis Laws may be Subject to Change

On January 4, 2018, U.S. Attorney General Jeff Sessions issued a memorandum to U.S. district attorneys which rescinded previous guidance from the U.S. Department of Justice specific to cannabis enforcement in the United States, including the Cole Memorandum. With the Cole Memorandum rescinded, U.S. federal prosecutors no longer have guidance relating to the exercise of their discretion in determining whether to prosecute cannabis related violations of U.S. federal law. On January 12, 2018, the Canadian Securities Administrators issued a statement that they are considering whether the disclosure-based approach for issuers with U.S. marijuana-related activities remains appropriate in light of the rescission of the Cole Memorandum. As a result, the Corporation provided an undertaking to the Canadian Securities Administrators which provides that the Corporation will limit its investments in the Public Portfolio and the Private Portfolio to entities that are not engaged in any U.S. marijuana-related activities (as such term is defined in CSA Staff Notice 51-352 – *Issuers with U.S. Marijuana-Related Activities*), until such time as the Canadian Securities Administrators communicate a position regarding issuers with U.S. marijuana-related activities.

As a result of the conflicting views between state legislatures and the federal government regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. The response to this inconsistency was initially addressed in August 2013 when then Deputy Attorney General, James Cole, authored a memorandum (the "**Cole Memorandum**") addressed to all U.S. district attorneys acknowledging that notwithstanding the designation of cannabis as a controlled substance at the federal level in the U.S., several U.S. states have enacted laws relating to cannabis for medical purposes.

The Cole Memorandum outlined certain priorities for the Department of Justice relating to the prosecution of cannabis offenses. In particular, the Cole Memorandum noted that in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. Notably, however, the Department of Justice has never provided specific guidelines for what regulatory and enforcement systems it deems sufficient under the Cole Memorandum standard.

In light of limited investigative and prosecutorial resources, the Cole Memorandum concluded that the Department of Justice should be focused on addressing only the most significant threats related to cannabis. States where medical cannabis had been legalized were not characterized as a high priority. In effect, the Cole Memorandum permitted recreational cannabis industries to develop where there was, among other things, compliance with state regimes. With the Cole Memorandum rescinded, U.S. federal prosecutors no longer have guidance relating to the exercise of their discretion in determining whether to prosecute cannabis related violations of U.S. federal law. It is possible that further developments could significantly adversely affect the business, financial condition and results of businesses involved in U.S. marijuana-related activities and in the cannabis industry generally.

Notwithstanding the foregoing, pursuant to the Rohrabacher Blumenauer Amendment ("**RBA**"), until January 19, 2018, the Department of Justice is prohibited from expending any funds for the prosecution of medical cannabis businesses operating in compliance with state and local laws. Thereafter, if the RBA or an equivalent thereof is not successfully amended to the next or any subsequent federal omnibus spending bill, there can be no assurance that the federal government will not seek to prosecute cases involving medical cannabis businesses that are otherwise compliant with state law.

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

United States Anti-Money Laundering Laws and Regulations

The Corporation 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 *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, the *Criminal Code* (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

In February 2014, the Financial Crimes Enforcement Network ("**FCEN**") of the Treasury Department issued a memorandum providing instructions to banks seeking to provide services to cannabis-related businesses. The FCEN memo 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 CSA. It is unclear at this time whether the current administration will follow the guidelines of the FCEN memo.

In the event that any of the Corporation's investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Corporation to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. While the Corporation does not initially expect to pay dividends on its Common Shares, in the event that a determination was made that investments in the United States could reasonably be shown to constitute proceeds of crime, the Corporation may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Investments in the United States may be subject to Heightened Scrutiny

For the reasons set forth above, the Corporation's future investments in the United States, if permitted, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Corporation 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 Corporation's ability to invest in the United States or any other jurisdiction, in addition to those described herein.

Given the heightened risk profile associated with cannabis in the United States, CDS may implement procedures or protocols that would prohibit or significantly curtail the ability of CDS to settle trades for cannabis companies that have marijuana businesses or assets in the United States. It is not certain whether CDS will decide to enact such measures, nor whether it has the authority to do so unilaterally. However, if CDS were to decide that it will not handle trades in our securities, it could have a material adverse effect on the ability of investors to settle trades in a timely manner and on the liquidity of our securities generally. While there can be no assurance that this would occur, and while it would be subject to regulatory approval, a third party has publicly expressed interest in providing clearing services should CDS decide not to do so.

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 in the sector.

Short Selling

The Corporation may use short sales for investment and risk management purposes, including when it anticipates that the market price of securities will decline or will underperform relative to other securities held by the Corporation. Short selling allows the investor to profit from declines in market prices of the sold securities to the extent such decline exceeds the transaction costs and the costs of borrowing the securities.

A short sale is effected by selling a security which the Corporation does not own. In order to make delivery to the buyer of a security sold short, the Corporation must borrow the security. In so doing, it incurs the obligation to replace that security, whatever its price may be, at the time it is required to deliver it to the lender. The Corporation must also pay to the lender of the security any dividends or interest payable on the security during the borrowing period and may have to pay a premium to borrow the security. This obligation must be collateralized by a deposit of cash or marketable securities with the lender. Short selling is subject to a theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. There can be no assurance that the securities necessary to cover the short position will be available for purchase by the Corporation. In addition, purchasing securities to close out the short position can itself cause the price of the relevant securities to rise further, thereby increasing the loss incurred by the Corporation. Furthermore, the Corporation may prematurely be forced to close out a short position if a counterparty from which the Corporation borrowed securities demands their return, resulting in a loss on what might otherwise have been ultimately a profitable position. In addition, the Corporation's short selling strategies may limit its ability to benefit from increases in the relevant securities markets.

Market regulators in various jurisdictions have at times taken measures to impose restrictions on the ability of investors to enter into short sales, including the imposition of a complete prohibition on taking short positions in respect of certain issuers. Such restrictions may negatively affect the ability of the Corporation to implement its strategies and/or they could cause the Corporation to incur losses. It cannot be determined how future regulations may limit the Corporation's ability to engage in short selling and how such limitations may impact the Corporation's performance.

Use of a Prime Broker to Hold Assets

Some or all of the assets of the Corporation may be held in one or more margin accounts due to the fact that the Corporation may sell securities short. The Prime Broker may also lend, pledge or hypothecate the assets of the Corporation. The Corporation may experience losses due to insufficient assets of the Prime Broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded, and which would adversely affect the total return to the Corporation.

Sensitivity to Interest Rates

The market prices of the Common Shares and Warrants may be affected by the level of interest rates prevailing from time to time. A rise in interest rates may have a negative impact on the market prices of the Common Shares and Warrants and increase the cost of borrowing to the Corporation, if any. Shareholders who wish to sell their Common Shares or Warrants will therefore be exposed to the risk that the market prices of the Common Shares and Warrants may be negatively affected by interest rate fluctuations.

Reliance on the Manager and Investment Manager

The Manager is responsible for providing, or managing for the provision of, management services including investment and portfolio management services required by the Corporation. Investors who are not willing to rely on the Manager should not invest in the Units.

The Investment Manager will manage the Public Portfolio in a manner consistent with the investment objectives, investment guidelines and rebalancing criteria of the Corporation. There is no certainty that the employees of the Investment Manager who will be primarily responsible for the management of the Public Portfolio will continue to be employees of the Investment Manager.

Conflicts of Interest

The Manager and its directors and officers and its respective affiliates and associates may engage in the promotion, management or investment management of any other fund or trust with similar investment objectives and/or similar investment strategies to those of the Corporation. Although none of the directors or officers of the Manager devotes his or her full time to the business and affairs of the Corporation, each devotes as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) the Corporation and the Manager, as applicable.

Risks Related to Dilution

The Corporation may issue additional securities in the future, which may dilute a Shareholder's holdings in the Corporation. The Corporation's articles permit the issuance of an unlimited number of Common Shares. The Corporation's Shareholders do not have pre-emptive rights in connection with any future issuances of securities by the Corporation. The directors of the Corporation have discretion to determine the price and the terms of further issuances.

Loss of Investment

There is no guarantee that an investment in the Units will earn any positive return in the short term or long term. A purchase under the Offering involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the Units is appropriate only for purchasers who have the capacity to absorb a loss of some or all of their investment.

Currency Exposure

Foreign currency risk is the risk that the fair value or future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. The Corporation's exposure to the risk of changes in foreign exchange rates relates primarily to the fact that (i) the Portfolio will include securities denominated in foreign currencies, (ii) the Corporation may invest in companies in foreign markets whose operations are exposed to foreign currencies and which companies' assets and liabilities are denominated in foreign currencies, and (iii) certain of the Corporation's assets and liabilities, including any commitments made to foreign investees, may be denominated in foreign currencies.

Foreign Market Exposure

The Corporation's investments may, at any time, include securities of issuers established in jurisdictions outside Canada and the United States. Although most of such issuers will be subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to Canadian and U.S. companies, some issuers may not be subject to such standards and, as a result, there may be less publicly available information about such issuers than a Canadian or U.S. company. Investments in foreign markets carry the potential exposure to the risk of political upheaval, acts of terrorism and war, all of which could have an adverse impact on the value of such securities.

Lack of Operating History

The Corporation is a newly organized investment corporation with no previous operating history. There is currently no public market for the Common Shares and Warrants and there can be no assurance that an active public market in respect of the Common Shares and Warrants will develop or be sustained after completion of the Offering.

Risk Factors Relating to Canadian Tax

Taxation

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of corporations will not be changed in a manner which adversely affects the Shareholders.

The Corporation will be subject to tax under the Tax Act on its income, including taxable capital gains, interest and other income, and any such tax will be indirectly borne by Shareholders. The Corporation is not a "mutual fund corporation" for purposes of the Tax Act, and as such is not entitled to a refund of tax paid by it in respect of its net realized capital gains and cannot pay "capital gains dividends" within the meaning of the Tax Act to Shareholders.

In determining its income for tax purposes, the Corporation will treat gains and losses on dispositions of Portfolio securities as capital gains and losses. The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If some or all of the transactions undertaken by the Corporation were treated on income rather than capital account (whether because of the DFA Rules discussed below or otherwise), after-tax returns to Shareholders could be reduced, the Corporation may be subject to non-refundable income tax in respect of income from such transactions, and the Corporation may be subject to penalty taxes in respect of excessive Capital Gains Dividend elections.

The Tax Act contains rules (the "**DFA Rules**") that target financial arrangements (referred to as "derivative forward agreements") that seek to deliver a return based on an "underlying interest" (other than certain excluded underlying interests). The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of transactions entered into by the Corporation, gains realized in respect of the property underlying such transactions could be treated as ordinary income rather than capital gains.

The Corporation will invest in foreign equity securities. Many foreign countries preserve their right under domestic tax laws and applicable tax conventions with respect to taxes on income and on capital ("**Tax Treaties**") to impose tax on dividends paid or credited to persons who are not resident in such countries. While the Corporation intends to make investments in such a manner as to minimize the amount of foreign taxes incurred under foreign tax laws and subject to any applicable Tax Treaties, investments in foreign equity securities may subject the Corporation to foreign taxes on dividends paid or credited to it or any gains realized on the disposition of such securities. Any foreign taxes incurred by the Corporation will generally reduce the value of its Portfolio.

For all of the above reasons and others set forth herein, the Units involve a certain degree of risk. Any person considering the purchase of Units should be aware of these and other factors set forth in this Prospectus and should consult with his or her legal, tax and financial advisors prior to making an investment in the Units. The Units should only be purchased by persons who can afford to lose all of their investment.

PROMOTER

The Manager is considered to be the promoter of the Corporation by reason of its initiative in organizing the business of the Corporation and taking the steps necessary for the public distribution of the Units. As at the date hereof, neither the Manager nor any of its directors, officers or shareholders beneficially owns, controls or directs, directly or indirectly, any Units. In its role as manager, the Manager will receive payment from the Corporation for services provided to the Corporation in respect of the ongoing management of the Corporation and the Portfolio securities.

LEGAL PROCEEDINGS

To the Corporation's knowledge, there are no legal proceedings or regulatory actions material to the Corporation to which it is a party, or to which it has been made a party since its formation and no such proceedings are known to the Corporation to be contemplated. There have been no penalties or sanctions imposed against the Corporation by a court relating to provincial securities legislation or by any securities regulatory authority, there have been no penalties or sanctions imposed by a court or regulatory body against the Corporation and the Corporation has not entered into any settlement agreements before a court relating to provincial securities legislation or with any securities regulatory authority since its formation.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no director or executive officer of the Corporation or Shareholders that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Common Shares and/or securities convertible into Common Shares, or any of their respective associates or affiliates:

(i) has any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Corporation within the three years preceding the date of this Prospectus; or

(ii) was or is to be an underwriter or is associates, affiliates or partners or a person or company that was or is to be an underwriter.

AUDITOR

The auditor of the Corporation is MNP LLP, of Toronto, Ontario.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Common Shares is Odyssey Trust Company, at its principal office in Toronto, Ontario. The Exchange Agent and the Warrant Agent in respect of the Warrants is Odyssey Trust Company, at its principal office in Toronto, Ontario.

The registration and transfers of Units and the Common Shares and Warrants comprising the Units will be effected only through the book-entry only system administered by CDS. A purchaser of Units will receive only customer confirmation from the registered dealer which is a CDS Participant and from or through which Units are purchased. See "Plan of Distribution".

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, as of the Closing Date, the only material contracts which the Corporation has entered into or will enter into are set out below. Copies of such agreements will be available under the Corporation's profile on SEDAR at www.sedar.com.

(i) Warrant Indenture (see "Description of the Securities — Warrants");

(ii) Management Agreement (see "Organization and Management Details of the Corporation — The Management Agreement");

(iii) Investment Management Agreement (see "Organization and Management Details of the Corporation — The Investment Manager — Investment Management Agreement");

(iv) Agency Agreement (see "Plan of Distribution — Agency Agreement"); and

(v) Prime Brokerage Agreement (see "Organization and Management Details of the Corporation — Prime Broker").

EXPERTS

Certain Canadian legal matters in connection with this Offering will be passed upon by Blake, Cassels & Graydon LLP, on behalf of the Corporation, and by Wildeboer Dellelce LLP, on behalf of the Agents.

As at the date of this Prospectus, partners and associates of Blake, Cassels & Graydon LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Corporation and its respective associates and affiliates. As at the date of this Prospectus, partners and associates of Wildeboer Dellelce LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Corporation and its respective associates and affiliates.

MNP LLP, the auditor of the Corporation, has advised the Corporation that they are independent within respect to the Corporation within the meaning of the Rules of Professional Conduct of the Charter Professional Accountants of Ontario.

RIGHTS OF WITHDRAWAL AND RESCISSION

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

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

FINANCIAL STATEMENTS

SCHEDULE A
AUDIT COMMITTEE CHARTER

Cannabis Growth Opportunity Corporation (the "Corporation")

1. PURPOSE

1.1 The board of directors of the Corporation (the "**Board**") shall appoint an audit committee (the "**Committee**") to assist the Board in fulfilling its responsibilities. The overall purpose of the Committee of the Corporation is to monitor the Corporation's system of internal financial controls, to evaluate and report on the integrity of the financial statements of the Corporation, to enhance the independence of the Corporation's external auditors and to oversee the financial reporting process of the Corporation.

2. PRIMARY DUTIES AND RESPONSIBILITIES

2.1 The Committee's primary duties and responsibilities are to:

(a) serve as an objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements;

(b) review the performance of the Corporation's external auditors; and

(c) provide an open avenue of communication among the Corporation's external auditors, the Board and senior management of the Corporation.

3. COMPOSITION, PROCEDURES AND ORGANIZATION

3.1 The Committee shall be comprised of at least three directors of the Corporation as determined by the Board, two of whom shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

3.2 At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Audit Committee Charter, the definition of "financially literate" is 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 presumably be expected to be raised by the Corporation's financial statements.

3.3 The Board shall appoint the members of the Committee. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Any member of the Committee ceasing to be a director of the Corporation shall cease to be a member of the Committee.

3.4 Unless a chair is elected by the Board, the members of the Committee shall elect a chair from among their number (the "**Chair**"). The Chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings and reporting to the Board.

3.5 The Committee, through its Chair, shall have access to such officers and employees of the Corporation and to the Corporation's external auditors and its legal counsel, and to such information respecting the Corporation as it considers to be necessary or advisable in order to perform its duties.

3.6 Notice of every meeting shall be given to the external auditors, who shall, at the expense of the Corporation, be entitled to attend and to be heard thereat.

3.7 Meetings of the Committee shall be conducted as follows:

(a) the Committee shall meet four times annually, or more frequently as circumstances dictate, at such times and at such locations as the Chair shall determine;

(b) the external auditors or any member of the Committee may call a meeting of the Committee;

(c) any director of the Corporation may request the Chair to call a meeting of the Committee and may attend such meeting to inform the Committee of a specific matter of concern to such director, and may participate in such meeting to the extent permitted by the Chair; and

(d) the external auditors shall, when required by the Committee, attend any meeting of the Committee.

3.8 The external auditors shall be entitled to communicate directly with the Chair and may meet separately with the Committee. The Committee, through the Chair, may contact directly any employee of the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper practices or transactions.

3.9 Compensation to members of the Committee shall be limited to directors' fees, either in the form of cash or equity, and members shall not accept consulting, advisory or other compensatory fees from the Corporation.

3.10 The Committee is granted the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of the Corporation. The Committee has the power to engage and determine funding for outside and independent counsel or other experts or advisors as the Committee deems necessary for these purposes and as otherwise necessary or appropriate to carry out its duties and to set Committee members compensation. The Committee is further granted the authority to communicate directly with internal and external auditors.

4. DUTIES

4.1 The overall duties of the Committee shall be to:

(a) assist the Board in the discharge of their duties relating to the Corporation's accounting policies and practices, reporting practices and internal controls and the Corporation's compliance with legal and regulatory requirements;

(b) establish and maintain a direct line of communication with the Corporation's external auditors and assess their performance and oversee the co-ordination of the activities of the external auditors; and

(c) be aware of the risks of the business and ensure the Corporation has adequate processes in place to assess, monitor, manage and mitigate these risks as they arise.

4.2 The Committee shall be directly responsible for overseeing the work of the external auditor, who shall report directly to the Committee, engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between the Corporation and the external auditors and the overall scope and plans for the audit, and in carrying out such oversight, the Committee's duties shall include:

(a) recommending to the Board the selection and compensation and, where applicable, the replacement of the external auditor nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;

(b) reviewing, where there is to be a change of external auditors, all issues related to the change, including the information to be included in the notice of change of auditor called for under NI 51-102 or any successor legislation, and the planned steps for an orderly transition;

(c) reviewing all reportable events, including disagreements, unresolved issues and consultations, as defined in NI 51-102 or any successor legislation, on a routine basis, whether or not there is to be a change of external auditor;

(d) reviewing and pre-approving all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors to the Corporation or any subsidiary entities;

(e) reviewing the engagement letters of the external auditors, both for audit and non-audit services;

(f) consulting with the external auditor, without the presence of the Corporation's officers about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;

(g) reviewing annually the performance of the external auditors, who shall be ultimately accountable to the Board and the Committee as representatives of the unitholders of the Corporation, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditors; and

(h) reviewing and approving the nature of and fees for any non-audit services performed for the Corporation by the external auditors and consider whether the nature and extent of such services could detract from the firm's independence in carrying out the audit function.

4.3 The duties of the Committee as they relate to document and reports reviews shall be to:

(a) review the Corporation's financial statements, management's discussion and analysis of financial results ("**MD&A**") and any financial press releases before the Corporation publicly discloses this information; and

(b) review and periodically assess the adequacy of procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the Corporation's financial statements, MD&A and financial press releases.

4.4 The duties of the Committee as they relate to audits and financial reporting shall be to:

(a) in consultation with the external auditor, review with the integrity of the Corporation's financial reporting process, both internal and external, and approve, if appropriate, changes to the Corporation's auditing and accounting practices;

(b) review the audit plan with the external auditor;

(c) review with the external auditor any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, and key estimates and judgments of the Corporation that may in any such case be material to financial reporting;

(d) review the contents of the audit report;

(e) question the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;

(f) review the scope and quality of the audit work performed;

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

(h) review the co-operation received by the external auditor from the Corporation's personnel during the audit, any problems encountered by the external auditors and any restrictions on the external auditor's work;

(i) review the internal resources used;

(j) review the evaluation of internal controls by the internal auditor (or persons performing the internal audit function) and the external auditors, together with the Corporation's response to the recommendations, including subsequent follow-up of any identified weaknesses;

(k) review the appointments of the chief financial officer, internal auditor (or persons performing the internal audit function) of the Corporation and any key financial executives involved in the financial reporting process;

(l) review and approve the Corporation's annual audited financial statements and those of any subsidiaries in conjunction with the report of the external auditors thereon, and obtain an explanation from the Corporation of all significant variances between comparative reporting periods before release to the public;

(m) establish procedures for (A) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and (B) the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters; and

(n) review the terms of reference for an internal auditor or internal audit function.

4.5 The duties of the Committee as they relate to accounting and disclosure policies and practices shall be to:

(a) review changes to accounting principles of the Canadian Institute of Chartered Accountants which would have a significant impact on the Corporation's financial reporting as reported to the Committee by the Corporation and the external auditors;

(b) review the appropriateness of the accounting policies used in the preparation of the Corporation's financial statements and consider recommendations for any material change to such policies;

(c) review the status of material contingent liabilities as reported to the Committee by the Corporation or the external auditors;

(d) review the status of income tax returns and potentially significant tax problems as reported to the Committee by the Corporation;

(e) review any errors or omissions in the current or prior year's financial statements;

(f) review, and approve before their release, all public disclosure documents containing audited or unaudited financial information including all earnings, press releases, MD&A, prospectuses, annual reports to unitholders and annual information forms, as applicable; and

(g) oversee and review all financial information and earnings guidance provided to analysts and rating agencies.

4.6 The other duties of the Committee shall include:

(a) reviewing any related-party transactions not in the ordinary course of business;

(b) reviewing any inquires, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;

(c) formulating clear hiring policies for partners, employees or former partners and employees of the Corporation's external auditors;

(d) reviewing annual operating and capital budgets;

(e) reviewing and reporting to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;

(f) inquiring of the Corporation and the external auditors as to any activities that may be or may appear to be illegal or unethical;

(g) ensuring procedures are in place for the receipt, retention and treatment of complaints and employee concerns received regarding accounting or auditing matters and the confidential, anonymous submission by employees of the Corporation of concerns regarding such; and

(h) reviewing any other questions or matters referred to it by the Board.

CERTIFICATE OF THE CORPORATION AND PROMOTER

Dated: January 16, 2018

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada except Québec.

CANNABIS GROWTH OPPORTUNITY CORPORATION

By: (Signed) Jamie Blundell
President and Chief Operating Officer

By: (Signed) Paul Andersen
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

By: (Signed) Gary Yeoman
Director

By: (Signed) John Durfy
Director

PROMOTER

CGOC MANAGEMENT CORP.
as Promoter

By: (Signed) Paul Andersen
Director

CERTIFICATE OF THE AGENTS

Dated: January 16, 2018

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada except Québec.

EIGHT CAPITAL	**CANACCORD GENUITY CORP.**	**HAYWOOD SECURITIES INC.**	**MACKIE RESEARCH CAPITAL CORPORATION**
By: (Signed) Patrick McBride	By: (Signed) Steve Winokur	By: (Signed) Campbell Becher	By: (Signed) Jeff Reymer

BEACON SECURITIES LIMITED	**PI FINANCIAL CORP.**	**VELOCITY TRADE CAPITAL LTD.**
By: (Signed) Mario Maruzzo	By: (Signed) Blake Corbet	By: (Signed) Simon Grayson