



**NOTICE OF  
ANNUAL and SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON FEBRUARY 21, 2019  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**January 16, 2019**



## NOTICE OF ANNUAL and SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT** the Annual and Special Meeting (the “**Meeting**”) of holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Cannabis Growth Opportunity Corporation (the “**Corporation**”) will be held at 240 Richmond Street W (Room 1B), Toronto, Ontario, Canada on Thursday, February 21, 2019 at 10:00 a.m. (Eastern time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended October 31, 2018 along with the report of the auditors thereon;
2. to appoint the auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
3. to elect directors of the Corporation for the ensuing year;
4. to consider and, if deemed advisable, pass an ordinary resolution ratifying the adoption of By-Law No.1A, amending the Corporation’s By-Law No.1, relating to quorum at meetings of Shareholders; and
5. to transact such other business as may be properly brought before the Meeting or any adjournment or postponement thereof.

This notice of meeting (“**Notice of Meeting**”) is accompanied by the management information circular (the “**Circular**”) and a form of proxy (“**Form of Proxy**”), which should be read in conjunction with this Notice of Meeting.

**The Corporation may supplement, update or amend the Circular after the date hereof and prior to the Meeting by filing a press release or a material change report with a securities commission or similar authority in Canada that specifically states that it is intended to supplement, update or amend the Circular.**

Shareholders may attend the Meeting in person or may be represented by proxy. Shareholders unable to attend the Meeting or any adjournment(s) thereof in person are requested to date, sign and return the enclosed Form of Proxy to the attention of the Proxy Department of Odyssey Trust Company at Stock Exchange Tower, Suite 350, 300 5<sup>th</sup> Avenue SW, Calgary, Alberta, Canada, T2P 3C4. To be effective, a proxy must be received not later than 10:00 a.m. (Eastern time) on February 19, 2019, or in the event that the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) immediately preceding any adjournment or postponement thereof. Instead of mailing your proxy, Shareholders may choose to vote using the Internet in accordance with the instructions set out in the Form of Proxy.

The board of directors of the Corporation (the “**Board**”) has fixed the close of business on January 17, 2019, as the record date for the determination of the Shareholders entitled to notice of, and to vote at, the Meeting, and any adjournment or postponement thereof. Only shareholders of record at the close of business

on January 17, 2019 will be entitled to vote at the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting at his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

If you vote by the internet, do not mail back your proxy. Voting by mail or by Internet are the only methods by which a holder may appoint a person as proxyholder other than the management nominees named on the reverse of your Form of Proxy.

Non-registered Shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting information form.

Copies of this Notice of Meeting, the Circular, the Form of Proxy, and the audited consolidated financial statements are posted on the Corporation's website at <http://cgocorp.com/2019-annual-meeting/> and are filed on SEDAR under the Corporation's profile at [www.sedar.com](http://www.sedar.com).

The Circular contains details of matters to be considered at the Meeting. **Please review the Circular before voting.**

**DATED** at Toronto, this 16<sup>th</sup> day of January, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS  
OF CANNABIS GROWTH OPPORTUNITY  
CORPORATION**

*"Jamie Blundell"*

**Jamie Blundell**  
President and Chief Operating Officer

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## GLOSSARY OF TERMS

“**Circular**” means this management information circular, including the schedules hereto, which is being sent to Shareholders in connection with the Meeting;

“**Common Shares**” means the common shares in the capital of the Corporation;

“**Corporation**” means Cannabis Growth Opportunity Corporation;

“**CSE**” means the Canadian Securities Exchange;

“**Form of Proxy**” means the form of proxy accompanying this Circular;

“**Intermediary**” has the meaning attributed thereto under the heading “Non-Registered Shareholders”;

“**Investment Manager**” means StoneCastle Investment Management Inc., the Corporation’s investment manager;

“**Management Agreement**” means the management agreement between the Corporation and the Manager dated January 26, 2018;

“**Management Fee**” has the meaning attributed thereto under the heading “Management Contracts”;

“**Manager**” means CGOC Management Corp., the manager of the Corporation;

“**Meeting**” means the special meeting of the Shareholders of the Corporation convened pursuant to this Circular and the attached Notice of Meeting as well as any adjournment(s) or postponement(s) thereof;

“**Meeting Materials**” means the Notice of Meeting, the Circular, the Form of Proxy and the VIF, as applicable;

“**NI 54-101**” means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

“**NOBO**” has the meaning attributed thereto under the heading “Non-Registered Shareholders”;

“**Non-registered Shareholder**” has the meaning attributed thereto under the heading “Non-Registered Shareholders”;

“**Notice of Meeting**” means the notice of meeting accompanying this Circular;

“**OBO**” has the meaning attributed thereto under the heading “Non-Registered Shareholders”;

“**Performance Fee**” has the meaning attributed thereto under the heading “Management Contracts”;

“**Performance Fee Payment Date**” has the meaning attributed thereto under the heading “Management Contracts”;

“**Performance Fee Period**” has the meaning attributed thereto under the heading “Management Contracts”;

“**Portfolio**” has the meaning attributed thereto under the heading “Particulars of the Matters to be Acted Upon at the Meeting – Overview”;

“**Record Date**” has the meaning attributed thereto under the heading “Voting of Common Shares and Principal Holders Thereof – Record Date”;

“**Registered Shareholder**” has the meaning attributed thereto under the heading “Registered Shareholders”;

“**Shareholder**” means a holder of Common Shares;

“**Transfer Agent**” means Odyssey Trust Company, the transfer agent and registrar of the Corporation;

“**Threshold Amount**” means 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; and

“**VIF**” means voting information form.



## MANAGEMENT INFORMATION CIRCULAR

### RELATING TO THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON FEBRUARY 21, 2019

#### VOTING INFORMATION

#### SOLICITATION OF PROXIES

This Management Information Circular (the “**Circular**”), is furnished in connection with the solicitation of proxies by management of the Corporation to be voted at the Annual and Special Meeting Shareholders to be held at 240 Richmond Street W (Room 1B), Toronto, Ontario on Thursday, February 21, 2019, at 10:00am ET, and at any adjournment or postponement thereof. In this Circular all information provided is current as of January 16, 2019 unless otherwise indicated.

All capitalized terms used in this Circular (unless stated otherwise) and not otherwise defined herein have the meanings set forth under the heading “Glossary of Terms”.

**The Corporation may supplement, update or amend this Circular after the date hereof and prior to the Meeting by filing a press release or a material change report with a securities commission or similar authority in Canada that specifically states that it is intended to supplement, update or amend this Circular.**

All references to “\$” are to Canadian currency.

**This Circular is furnished in connection with the solicitation, by or on behalf of the management of the Corporation, of proxies to be used at the Meeting.**

It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers and employees of the Corporation without special compensation, or by the Corporation’s transfer agent, Odyssey Trust Company, at nominal cost. The Corporation may engage a proxy solicitation agent in connection with the solicitation of proxies. The cost of soliciting will be borne by the Corporation. The Corporation has arranged for intermediaries to forward Meeting Materials to beneficial Shareholders whose Common Shares are held by those intermediaries and the Corporation may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

#### REGISTERED SHAREHOLDERS

A Shareholder is a registered Shareholder (“**Registered Shareholder**”) if shown on January 17, 2019 on the list of holders of Common Shares kept by Odyssey Trust Company, as registrar and transfer agent of the Corporation. Registered Shareholders will receive the Form of Proxy from the Transfer Agent representing the Common Shares held by the Registered Shareholder.



### *Appointment of Proxy*

The Form of Proxy is enclosed and, whether or not you expect to attend the Meeting, please exercise your right to vote. Shareholders who have voted by proxy may still attend the Meeting. Please complete and return the Form of Proxy in the envelope provided. The Form of Proxy must be executed by the Registered Shareholder or the attorney of such Shareholder, duly authorized in writing. Proxies to be used at the Meeting must be deposited with the Transfer Agent in the envelope provided or otherwise to Odyssey Trust Company, Attention: Proxy Department, at Stock Exchange Tower, Suite 350, 300 5<sup>th</sup> Avenue SW, Calgary, Alberta T2P 3C4, **not later than 10:00 a.m. (Toronto time) on February 19, 2019 or 48 hours, excluding Saturdays, Sundays and holidays, prior to any adjournment or postponement thereof.** Alternatively, Shareholders may choose to vote using the Internet in accordance with the instructions set out in the Form of Proxy. Voting by mail or by Internet are the only methods by which a holder may appoint a person as proxyholder other than the management nominees named on the reverse of your Form of Proxy.

The persons named in the enclosed Form of Proxy are directors or officers of the Corporation. **A Shareholder may appoint as proxyholder a person or company (who need not be a Shareholder), other than any person(s) or company(ies) designated by management of the Corporation in the Form of Proxy, to attend and act on such Shareholder's behalf at the Meeting or at any adjournment thereof. Such right may be exercised by either inserting such other desired proxyholder's name in the blank space provided on the Form of Proxy or by completing another proper form of proxy.**

### *Revocation of Proxy*

A registered Shareholder who has given a proxy pursuant to this solicitation may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by an instrument in writing executed by the Shareholder or by the attorney of such Shareholder authorized in writing or, if the registered Shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at the registered office of the Corporation, on or before the last business day preceding the day of the Meeting or any adjournment thereof at which the Form of Proxy is to be used or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

### **NON-REGISTERED SHAREHOLDERS**

Most Shareholders of the Corporation are non-registered Shareholders because the Common Shares they own are not registered in their names, but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Only Registered Shareholders of the Corporation or duly appointed proxyholders are permitted to vote at the Meeting. A holder of Common Shares is a non-registered (or beneficial) Shareholder (a “**Non-Registered Shareholder**”) if the Shareholder's Common Shares are registered either:

- (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, RDSPs, TFSAs and similar plans; or
- (b) in the name of a clearing agency (such as CDS & Co.) of which the Intermediary is a participant.

### *Appointment of Proxy*

Non-Registered Shareholder who have not objected to their Intermediary disclosing certain ownership information about them to the Corporation are referred to as non-objecting beneficial owners (“**NOBOs**”). Those Non-Registered Shareholder who have objected to their Intermediary disclosing ownership information about them to the Corporation are referred to as objecting beneficial owners (“**OBOs**”). Intermediaries must forward the Meeting Materials to each Non-Registered Shareholder (unless the Non-Registered Shareholder has waived the right to receive such materials), and often use a service company (such as Broadridge Investor Communication Solutions, Canada), to permit the Non-Registered Shareholder to direct the voting of the Common Shares held by the Intermediary on behalf of the Non-Registered Shareholder.

Generally, Non-Registered Shareholders who have not waived the right to receive meeting materials will either:

- (a) be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise uncompleted. This Form of Proxy need not be signed by the Non-Registered Shareholder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the Form of Proxy and deposit it with the Transfer Agent, as described above under the heading “Registered Shareholder”; or
- (b) more typically, be given a VIF which must be completed and signed by the Non-Registered Shareholder in accordance with the directions on the VIF. Non-Registered Shareholders should submit VIFs to Intermediaries in sufficient time to ensure that their votes are received from the Intermediaries by the Corporation.

The purpose of these procedures is to permit Non-Registered Shareholder to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a proxy or a VIF wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the Form of Proxy and insert their own (or such other person’s) name in the blank space provided in the Form of Proxy or, in the case of a VIF, follow the corresponding instructions on the VIF, to appoint themselves as proxyholders, and deposit the Form of Proxy or submit the VIF in the appropriate manner noted above. **Non-Registered Shareholders should carefully follow the instructions on the Form of Proxy or VIF that they receive from their Intermediary in order to vote the Common Shares that are held through that Intermediary.**

### *Revocation of Proxy*

A Non-Registered Shareholder giving a proxy may revoke the proxy by contacting his or her Intermediary in respect of such proxy and complying with any applicable requirements imposed by such Intermediary. An Intermediary may not be able to revoke a proxy if it receives insufficient notice of revocation.

## **VOTING OF PROXIES**

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the person(s) designated by management of the Corporation in the enclosed Form of Proxy will be voted or withheld from voting in accordance with the instructions given on the Form of Proxy and, if the

Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment or postponement thereof. As of the date of this Circular, management of the Corporation is not aware of any such amendment or other matter to come before the Meeting. However, if any amendments to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment or postponement thereof, the Common Shares represented by properly executed proxies given in favour of the person(s) designated by management of the Corporation in the enclosed Form of Proxy will be voted on such matters pursuant to such discretionary authority.

## **VOTING OF COMMON SHARES AND PRINCIPAL HOLDERS THEREOF**

### ***Record Date***

The record date for the purpose of determining the Shareholders entitled to receive notice of and vote at the Meeting (the “**Record Date**”) has been fixed as January 17, 2019.

### ***Common Shares***

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. As at the date hereof, there were 15,461,440 Common Shares issued and outstanding, each carrying the right to one vote per Common Share at the Meeting.

### ***Quorum***

The Corporation’s bylaws provide that the quorum for the transaction of business at any meeting of the Shareholders shall consist of at least two (2) Shareholders in person or represented by proxy.

### ***Principal Shareholders***

To the knowledge of the directors and officers of the Corporation, as at the date hereof, no person, firm or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to all issued and outstanding Common Shares.

## PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

### FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the year ended October 31, 2018, together with the auditor's report thereon will be presented to the Shareholders at the Meeting. Copies of these documents and additional information are also available on the Corporation's website at <http://cgocorp.com/2019-annual-meeting/> and under the Corporations profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### APPOINTMENT OF AUDITORS

The persons named in the accompanying form of proxy intend to vote for the appointment of MNP LLP, Chartered Accountants, Toronto, Ontario, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to fix their remuneration, unless the shareholder directs therein that his, her or its Common Shares be withheld from voting for the appointment of auditors. MNP LLP are currently the auditors of the Corporation and were first appointed on November 24, 2017.

**Proxies received in favour of management will be voted in favour of the appointment of MNP LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders and the authorization of the directors to fix their remuneration, unless the shareholder has specified in the proxy that his, her or its Common Shares are to be withheld from voting in respect thereof.**

#### *Auditors Fees*

The following table summarizes the fees billed to the Corporation for services provided by its external auditors, during the fiscal years ended October 31, 2018:

Fiscal Year	Audit Related Fees	Tax Fees	Other Fees	Total Fees
2018	\$64,000	nil	\$21,000	\$75,000

### ELECTION OF DIRECTORS

Shareholders will be asked to elect 6 directors for the ensuing year. In accordance with the by-laws of the Corporation, the Board are elected for one year terms. The following table sets forth the names and jurisdictions of residence of the nominees for election as directors of the Corporation, the offices in the Corporation, if any, held by them, their principal occupations (for the past five years) and the number of Common Shares beneficially owned or over which control or direction is exercised. If any such individual should be unable or unwilling to serve, an event not presently anticipated, the persons named in the proxy will have the right to vote, at their discretion, for another nominee, unless a proxy withholds authority to vote for the election of directors.

Name and Municipality of Residence, Position With Company	Present Principal Occupation If Different From Office Held & Principal Occupation For The Past 5 Years	Date Elected/Appointed Director	Common Shares Owned or Over Which Control or Direction is Exercised <sup>(2)</sup>
Paul Andersen <sup>(1)</sup> Toronto, Ontario, Canada Chief Financial Officer, Director	Managing Partner of Forbes Andersen LLP. Mr. Andersen has over 25 years of experience as a director and senior officer of numerous public and private companies, and has experience working with cannabis companies both domestically and internationally	November 1, 2017	nil
Jamie Blundell <sup>(2)</sup> Toronto, Ontario, Canada President & Chief Operating Officer, Director	Over 25 years of experience in senior leadership roles and managing teams of over 1,000 employees. Board member of Legend Power Systems Inc.	November 1, 2017	40,000
John Durfy <sup>(1)(3)</sup> Oakville, Ontario, Canada Independent Director	Currently CFO of Pele Mountain Resources and Minsud Resources. Holds position as Treasurer for Gulf & Pacific Equities Corp. Previously held various executive positions at Sphere Exchange Traded Funds (CIO, COO, CFO), and oversaw all portfolio management activities. Managing Director of Global Equities for the Ontario Municipal Employees Retirement System ("OMERS") from 2008-2011	November 1, 2017	18,200
Nick J. Richards <sup>(1)(3)</sup> Littleton, Colorado, United States Independent Director	Partner, Dill Dill Carr Stonebraker & Hutchings, PC Mr. Richards is a practicing tax attorney, adjunct professor of law and legal specialist to the United States cannabis industry, advising businesses and owners throughout the U.S.	November 1, 2017	nil
Brayden Sutton Chilliwack, British Columbia, Canada Independent Director	President, Sutton Ventures Ltd. Mr. Sutton co-founded and served as EVP for Supreme Pharmaceuticals from 2013 – 2014 and played an instrumental role in the early days of Invictus MD Strategies Corp., Aurora Cannabis Inc. and CannaRoyalty Corp	November 1, 2017	60,000
Gary Yeoman Toronto, Ontario, Canada Independent Director	Chairman, iLOOKABOUT Corp. From 2005 to 2011, Mr. Yeoman served as the CEO of Altus Group, and led the company through a seven-year growth period, increasing revenues from \$75MM to \$325MM approximately.	November 1, 2017	nil

(1) Member of the Audit Committee.

(2) The number of Common Shares beneficially owned, or over which control or direction is exercised, was provided by the respective nominee.

(3) Member of the Investment Committee.

**Proxies received in favour of management will be voted in favour of the election of the preceding individuals as directors of the Corporation to hold office until the next annual meeting of shareholders, unless the shareholder has specified in the proxy that his, her or its Common Shares are to be withheld from voting in respect thereof.**

#### Cease Trade Orders

As at the date of this Circular, 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 Circular, 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 Circular, 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 Circular, 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 Circular, or has been within 10 years prior to the date of this Circular, 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 Circular 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.

### **RATIFICATION AND CONFIRMATION OF AMENDMENT TO BY-LAWS**

On January 16, 2019, the Board approved the adoption of By-Law No. 1A in the form set out in Schedule “A” attached to this Circular, amending the Corporation’s By-Law No. 1, to amend quorum at meetings of shareholders (the “**Amended By-Law**”).

The Amended By-Law amends the quorum requirement at meetings of Shareholder to two Shareholders present in person or represented by proxy, from the previous quorum requirement of two Shareholders present in person or represented by proxy holding at least 25% of the shares entitled to vote at such meeting.

Pursuant to the provisions of the CBCA the Amended By-Law is effective from the date the Board approved it, until it is confirmed or rejected by Shareholders. Accordingly, the Amended By-Law will cease to be effective unless ratified and confirmed by a resolution passed by a simple majority of the votes cast by Shareholders at the Meeting. At the Meeting, Shareholders will be asked to consider, and if deemed advisable, approve a resolution confirming By-Law No. 1A, amending By-Law No. 1 in the following form:

**"BE IT RESOLVED THAT:**

1. By-Law No. 1A of the Corporation, amending By-Law No. 1 of the Corporation, as approved by the Board on January 16, 2019 in the form attached as Schedule "A" to the Circular, is hereby ratified and confirmed; and
2. Any one director or officer of the Corporation be and is hereby authorized and directed to do all such further acts and things and to execute and deliver or sign (as the case may be) all such further agreements, instruments, notices, certificates and other documents for and on behalf of the Corporation, whether under its corporate seal or otherwise, as such director or officer may consider necessary or advisable having regard to the foregoing resolutions."

***Recommendation of the Board***

The Board unanimously approved the adoption of the Amended By-Law. The Board believes that the adoption of the Amended By-Law is in the best interests of the Corporation, based on the factors set out below. Accordingly, the Board unanimously recommends that Shareholders ratify the approved and adopted By-Law No. 1A and vote **FOR** the resolution to ratify the By-Law No. 1A.

***Reasons for the Recommendation***

The Board believes the Amended By-Law will align the Corporation with similar publicly listed companies with regards to quorum at meetings of shareholders. The shareholder protection concerns underlying quorum requirements are embedded in the registered and non-registered shareholder enfranchisement provisions of NI 54-101. Absolute minimum shareholder quorums are not considered appropriate to widely held publicly listed companies. Management and the Board gave careful consideration to the cost and difficulty of holding meetings of shareholders with such high quorum thresholds. The Board concluded that the Amended By-Law would allow the Corporation to more efficiently and effectively transact business.

**Proxies received in favour of management will be voted for the approval of the resolution confirming By-Law No. 1A, unless a Shareholder has specified in the proxy that his or her shares are to be voted against such resolution.**

**STATEMENT OF EXECUTIVE COMPENSATION**

***Executive and Director Compensation***

The Manager currently provides the services of two non-independent directors and two officers pursuant to its obligations under the Management Agreement. The Corporation's independent directors receive cash compensation of \$25,000 per annum payable in cash or Common Shares at the option of the director. The Corporation does not pay any fees or salaries to its officers or non-independent directors. Any payments to the officers and directors of the Corporation, other than the independent directors, is made by the Manager. All directors, officers, employees, and consultants may participate in the Corporation's Stock Option Plan.

***Summary Compensation Table***

The following table sets forth certain information concerning the compensation paid to the Corporation's President and Chief Operating Officer, Chief Investment Officer, and Chief Financial Officer (collectively, the "**Named Executive Officers**") for the year ended October 31, 2018. Other than the Named Executive Officers, no other executive officer of the Corporation had total annual salary and bonus in the last completed financial year exceeding \$150,000. The Manager provides all individuals that act as Named

Executive Officers of the Corporation. Other than share-based or option-based compensation, all compensation listed below is the amount the Manager pays each individual that is attributable to the management services provided to the Corporation, directly or indirectly. The Manager only provides external management services to the Corporation.

Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fee (\$)	Value of perquisites (\$)	All other Compensation (\$) <sup>(3)</sup>	Total Compensation (\$)
Paul Andersen Chief Financial Officer, Director <sup>(2)</sup>	2018	nil	nil	nil	nil	388,288	388,288
Jamie Blundell President & Chief Operating Officer <sup>(2)</sup>	2018	137,045	nil	nil	nil	388,288	525,333
Bruce Campbell <sup>(2)(4)</sup> Portfolio Manager	2018	80,171	nil	nil	nil	298,683	378,854
John Durfy <sup>(1)</sup> Director	2018	18,750	nil	nil	nil	89,605	108,355
Nick J. Richards <sup>(1)</sup> Director	2018	18,750	nil	nil	nil	89,605	108,355
Brayden Sutton <sup>(1)</sup> Director	2018	18,750	nil	nil	nil	89,605	108,355
Gary Yeoman <sup>(1)</sup> Director	2018	18,750	nil	nil	nil	89,605	108,355

**Notes:**

- (1) All independent directors are paid a fee of \$25,000 per annum from Corporation, payable in cash or Common Shares at the option of the director. Each independent director received \$18,750 for 9 months of service.
- (2) Executive officers salaries and fees are paid by the Manager from Management Fee paid by Corporation.
- (3) Non-cash stock options issued during the year and valued using the Black-Scholes model.
- (4) Bruce Campbell manages the Public Portfolio of the Corporation.

***Stock Option and Other Compensation Securities***

The following table sets forth all option-based awards outstanding as at October 31, 2018. As of the date of this Circular, no Named Executive Officer has exercised any compensation securities.

Name and Position	Type of Compensation Security	No. of compensation securities, no. of underlying securities, and percentage of class	Date of Grant	Exercise Price (\$)	Price of Security on Date of Grant (\$)	Price of Security at Year-End (\$)	Date of Expiry
Paul Andersen CFO, Director	Stock Options	325,000	1/30/2018	2.35	2.35	1.39	1/30/2023
Jamie Blundell President & COO	Stock Options	325,000	1/30/2018	2.35	2.35	1.39	1/30/2023
John Durfy Chief Investment Officer, Director	Stock Options	75,000	1/30/2018	2.35	2.35	1.39	1/30/2023
Bruce Campbell Portfolio Manager	Stock Options	250,000	1/30/2018	2.35	2.35	1.39	1/30/2023
Nick J. Richards Director	Stock Options	75,000	1/30/2018	2.35	2.35	1.39	1/30/2023
Brayden Sutton Director	Stock Options	75,000	1/30/2018	2.35	2.35	1.39	1/30/2023
Gary Yeoman Director	Stock Options	75,000	1/30/2018	2.35	2.35	1.39	1/30/2023



### ***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  $\frac{1}{4}$  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.

***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.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth details, as at October 31, 2018, of the number of securities to be issued upon exercise of outstanding Options and the remaining securities available for issuance, under equity compensation plans of the Corporation.

***Equity Compensation Plan Information***

	Number of securities to be issued upon exercise of outstanding option, warrants and rights	Weighted-average exercise price of outstanding option, warrants and rights	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders	nil	nil	nil
Equity compensation plans not approved by security holders	1,500,000	2.35	51,325
Total	1,500,000	2.35	51,325

**INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation since the commencement of the Corporation's last completed financial year or of any associate or affiliate of any of such persons, in any manner to be acted upon at the Meeting.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or senior officer of the Corporation, or associate or affiliate of any such director or senior officer, is or has been indebted to the Corporation since the beginning of the last completed financial year of the Corporation.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (within the meaning of applicable securities laws) of the Corporation, or any of their respective associates or affiliates, has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

## CORPORATE GOVERNANCE

In accordance with *National Instrument 58-101 — Disclosure of Corporate Governance Practices*, the following describes the corporate governance practices of the Corporation.

### *Board of Directors*

The Board has a written mandate to assist it in the better execution of its responsibilities. The mandate provides guidelines for Board composition and conduct.

The Board is currently comprised of 6 directors, 4 of whom are independent (John Durfy, Nick Richards, Brayden Sutton, and Gary Yeoman). The independent directors maintain their independence by having no direct or indirect material participation with the management of the Corporation. In the view of the Board, no independent directors other directorships or principal occupation would reasonably expected to interfere with the exercise of a member's independent judgement.

### *Directorships*

None of the current directors of the Corporation presently serve on the board of directors of any other reporting issuers (or the equivalent) in a Canadian jurisdiction or a foreign jurisdiction, other than as set out below.

<b>Name of Director</b>	<b>Name of Other Issuer</b>
Jamie Blundell	Legend Power Systems Inc.
Brayden Sutton	1933 Industries Waterfront Capital Corp Firstlight Capital Corp
Gary Yeoman	iLookabout Corp.

### *Orientation and Continuing Education*

The Board is responsible for providing an appropriate orientation program for new directors and encouraging ongoing self-education on the business and strategies of the Corporation. In particular, new

board members are referred to the Corporation's website and Board mandate to provide them with an understanding of the business of the Corporation and their ongoing responsibilities.

### ***Ethical Business Conduct***

The Corporation is committed to conducting its business in compliance with all applicable laws and regulations and in accordance with the highest ethical principles. At the Board level, this commitment is maintained by holding regularly scheduled meetings in a formal meeting environment, supplemented by event driven meetings as necessary, in each case, following generally accepted rules of conduct. The Corporation and the Board have developed and implemented a written mandate intended to promote ethical business conduct and proper risk assessment.

Directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer may have an interest. Management strives to ensure that directors are aware of prospective material counterparties. The Board is tasked with monitoring and supervising tactical progress and conflicts of interest. Further, the Board oversees the Manager and ensures the Corporation's investment mandates are adhered to.

### ***Nomination of Directors***

The Board does not have a formal nominating committee, therefore the entire Board is tasked with identifying, assessing and making recommendations as to candidates for election to the Board. Though there is no formal process for identifying candidates, the Board will make use of their formal and informal networks to locate suitable candidates. Directors are nominated with a view to the independence and expertise required for effective governance and compliance with applicable regulatory requirements, including consideration of nominees recommended by shareholders, if any.

### ***Compensation***

The Corporation does not have a formal compensation committee so responsibility for matters relating to the overall compensation philosophy and guidelines for the directors and officers of the Corporation lies with the Board as a whole. The Corporation's independent directors receive cash compensation of \$25,000 per annum, but the Corporation does not pay any fees or salaries to its officers or non-independent directors. Any payments to the officers and directors of the Corporation (other than the independent directors) was made by the Manager out of the Management Fee. All directors, officers, employees, and consultants may participate in the Corporation's Stock Option Plan.

### ***Other Board Committees***

The Corporation has established an investment committee (the "**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 is subject to the direction of the Board, and is comprised of three members: Jamie Blundell, President and Director; Nick Richards, independent director; and John Durfy, independent director. Bruce Campbell attends Investment Committee meetings, but is not a voting member. The members of the Investment Committee are 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 determines, and nominees to the Investment Committee shall be recommended by the Board. Members of the Investment Committee may be removed or replaced by the Board and 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.

## *Assessments*

Individual director and board effectiveness assessments are done on an informal basis and are determined by examining a number of factors including, but not limited to, attendance at and participation in meetings, meeting preparedness, ability to communicate ideas clearly and overall contribution to effective Board performance.

## MANAGEMENT CONTRACTS

Pursuant to a management agreement between the Corporation and the Manager dated January 16, 2018, the Manager has been retained as the manager of the Corporation and, as such, is responsible for providing or arranging for certain specific management services required by the Corporation. The registered and head office of the Manager is located at 240 Richmond Street West, Suite 4163, Toronto, Ontario, M5V 1V6.

The name and municipality of residence of the sole director and officer of the Manager and his principal occupation is as follows:

<u>Name and Municipality of Residence</u>	<u>Office with the Manager</u>	<u>Principal Occupation</u>
Paul Andersen Toronto, Ontario	Director, President and Secretary	Managing Partner, Forbes Andersen LLP

Pursuant to the terms of the Management Agreement, 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 pays the Investment Manager and certain officers and directors of the Corporation (other than the independent directors) out of the Management Fee.

The Manager is also entitled to a quarterly performance fee (the “**Performance Fee**”) payable by the Corporation 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 Performance Fee is 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 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, is 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.

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 Manager will pay the Investment Manager and certain officers and directors of the Corporation (other than the independent directors) out of the Management Fee. No director or officer of the Manager, or associate or affiliate of any such director or officer, is, or has been, indebted to the Corporation since the beginning of the last completed financial year of the Corporation.

As at October 31, 2018, the aggregate fees paid to the Manager since January 26, 2018 were \$216,427.

#### **OTHER MATTERS**

Management of the Corporation knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the Form of Proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is also available on SEDAR at [www.sedar.com](http://www.sedar.com).

Financial information is provided in the Corporation's annual and interim financial statements and Management's Discussion and Analysis related thereto and are posted on the Corporation's website, [www.cgocorp.com](http://www.cgocorp.com) and on [www.sedar.com](http://www.sedar.com).

#### **DIRECTORS' APPROVAL**

The contents and sending of this Circular have been approved by the board of directors of the Corporation.

**DATED** at Toronto, this 16<sup>th</sup> day of January, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS  
OF CANNABIS GROWTH OPPORTUNITY  
CORPORATION**

*"Jamie Blundell"*

**Jamie Blundell**  
President and Chief Operating Officer

**SCHEDULE "A"**  
**BY-LAW NO. 1A**

A by-law relating to the quorum requirements  
at meetings of shareholders of

**CANNABIS GROWTH OPPORTUNITY CORPORATION**  
(herein called the "Corporation")

**BE IT ENACTED** and it is hereby enacted as a by-law of the Corporation as follows:

1. By-Law No.1 of the by-laws of the Corporation is hereby amended by deleting and replacing Section 10.12, in its entirety, with the following:

**"10.12.1 Quorum.** Subject to the Act in respect of a majority shareholder and Section 10.22, a quorum for the transaction of business at any Meeting of Shareholders shall be two persons present in person, each being a shareholder entitled to vote at the Meeting of Shareholders or a duly appointed proxyholder or representative for a shareholder so entitled. If a quorum is present at the opening of any Meeting of Shareholders, the shareholders present or represented may proceed with the business of the Meeting of Shareholders notwithstanding that a quorum is not present throughout the Meeting of Shareholders. If a quorum is not present at the opening of any Meeting of Shareholders, the shareholders present or represented may adjourn the Meeting of Shareholders to a fixed time and place but may not transact any other business."

2. By-Law No.1 of the Corporation, as amended from time to time, and this By-Law No. 1A shall be read together and shall have effect as though all the provisions thereof were contained in one by-law of the Corporation. All terms contained in this by-law which are defined in By-Law No. 1 of the Corporation, as amended from time to time, shall have the meaning given therein, unless expressly states otherwise.

This by-law shall come into force upon being passed by the Board.