

Supreme.

TSXV:FIRE

SUPREME PHARMACEUTICALS INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held on December 18, 2017

TO THE SHAREHOLDERS OF SUPREME PHARMACEUTICALS INC.

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Supreme Pharmaceuticals Inc. (the “**Company**”) will be held at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario M5L 1B9 at 10:00 a.m. (Toronto time) on December 18, 2017 for the following purposes:

1. to receive the audited financial statements of the Company for the period ended June 30, 2017 and the report of the auditors thereon;
2. to appoint MNP LLP, as the auditors of the Company for the ensuing year;
3. to elect the directors of the Company for the ensuing year;
4. to consider and, if thought advisable, to pass a special resolution approving an amendment to the Company’s articles to change the Company’s name from “Supreme Pharmaceuticals Inc.” to “The Supreme Cannabis Company, Inc.”, as more particularly described in the accompanying Information Circular;
5. to consider and, if thought advisable, to pass an ordinary resolution re-approving the Company’s amended and restated incentive stock option plan, as more particularly described in the accompanying Information Circular;
6. to consider and, if thought advisable, to pass an ordinary resolution of disinterested Shareholders approving a restricted share unit plan, as more particularly described in the accompanying Information Circular; and
7. to transact such other business as may properly be brought before the Meeting or any adjournment(s) or postponement(s) thereof.

Shareholders should refer to the Information Circular for more detailed information with respect to the matters to be considered at the Meeting.

Registered Shareholders may attend the Meeting in person or may be represented by proxy. If you are a registered Shareholder and are unable to attend the Meeting in person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Investor Services, the transfer agent of the Company. To be valid, completed proxy forms must be dated, completed, signed and deposited with the Company’s transfer agent, Computershare Investor Services, (i) by mail using the

enclosed return envelope or one addressed to Computershare Investor Services, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, (ii) by hand delivery to Computershare Investor Services, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, (iii) by facsimile to 1-866-249-7775, or (iv) by telephone at 1-866-732-8683. You may also vote through the internet and if you do vote through the internet, you may also appoint another person to be your proxyholder. Please go to www.investorvote.com and follow the instructions. You will require your 15- digit control number found on your proxy form. Your proxy or voting instructions must be received in each case no later than 10:00 a.m. (Toronto time) on December 14, 2017 or two (2) business days preceding the date of any adjournment or postponement. If you are unable to attend the Meeting, we encourage you to complete the enclosed form of proxy as soon as possible. If a Shareholder received more than one form of proxy because such holder owns Common Shares registered in different names or addresses, each form of proxy should be completed and returned. The Chairman of the Meeting shall have the discretion to waive or extend the proxy deadline without notice.

If you are not a registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary.

The board of directors of the Company has fixed November 17, 2017 as the record date. Shareholders of record at the close of business on November 17, 2017 are entitled to notice of the Meeting and to vote thereat or at any adjournment(s) or postponement(s) thereof on the basis of one vote for each Common Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to November 17, 2017, and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he, she or it owns the Common Shares and demands, not later than ten (10) days before the Meeting, that his, her or its name be included on the list of persons entitled to vote at the Meeting, in which case, the transferee shall be entitled to vote such Common Shares at the Meeting. The transfer books will not be closed.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) “*John Fowler*”

John Fowler
Chief Executive Officer and Director

November 17, 2017

Supreme.

TSXV:FIRE

INFORMATION CIRCULAR

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON DECEMBER 18, 2017

PURPOSE OF SOLICITATION

This Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by the management of Supreme Pharmaceuticals Inc. (the “Company”) for use at the annual and special meeting (the “Meeting”) of the holders (“Shareholders”) of common shares (“Common Shares”) of the Company.

The Meeting will be held at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario M5L 1B9 at 10:00 a.m. (Toronto time) on December 18, 2017 and at any adjournments or postponements thereof for the purposes set forth in the Notice of Annual Meeting of Shareholders (the “**Notice of Meeting**”) accompanying this Information Circular. Information contained herein is given as of November 17, 2017, unless otherwise specifically stated.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of the Company who will not be additionally compensated therefor. Brokers, nominees or other persons holding Common Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such Common Shares. The costs of soliciting proxies will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

Enclosed herewith is a form of proxy for use at the Meeting. The persons named in the form of proxy are directors and/or officers of the Company. **A Shareholder submitting a proxy has the right to appoint a nominee (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the persons designated in the enclosed form of proxy by inserting the name of the chosen nominee in the space provided for that purpose on the form of proxy and by striking out the printed names.**

A form of proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is signed by the Shareholder or by the Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, it must be executed by a duly authorized officer or attorney thereof. The proxy, to be acted upon, must be dated, completed, signed and deposited with the Company’s transfer agent, Computershare Investor Services Inc.: (i) by mail using the enclosed return envelope or one addressed to Computershare Investor Services Inc., Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; (ii) by hand delivery to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; (iii) by facsimile to 1-866-249-7775; or (iv) by telephone at 1-866-732-8683, by no later than 10:00 a.m. (Toronto time) on December 14, 2017 or two (2) business days preceding the date of any adjournment or postponement.

A Shareholder who has given a proxy may revoke it prior to its use, in any manner permitted by law, including by an instrument in writing executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or attorney thereof and deposited at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used or with the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered Shareholders can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the names of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the broker’s clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services, Inc. (“**Broadridge**”). Broadridge typically mails a scanable voting instruction form in lieu of the form of proxy. The Beneficial Shareholder is requested to complete and return the voting instruction form to them by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or visit www.proxyvote.com to vote the Common Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his, her or its broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for a registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for a registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker

(or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

VOTING OF PROXIES

All Common Shares represented at the Meeting by properly executed proxies will be voted on any matter that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the accompanying form of proxy, the Common Shares represented by the proxy will be voted in accordance with such instructions. **In the absence of any such instruction, the persons whose names appear on the printed form of proxy will vote in favour of all the matters set out thereon.**

The enclosed form of proxy confers discretionary authority upon the persons named therein. If any other business or amendments or variations to matters identified in the Notice of Meeting properly comes before the Meeting, then discretionary authority is conferred upon the person appointed in the proxy to vote in the manner they see fit, in accordance with their best judgment.

At the time of the printing of this Information Circular, the management of the Company knew of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

To the knowledge of the directors and executive officers of the Company, no director or executive officer of the Company, any proposed nominee for election as director of the Company, or any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The board of directors of the Company (the "**Board**") has fixed November 17, 2017 as the record date. Shareholders at the close of business on November 17, 2017 are entitled to receive notice of the Meeting and to vote thereat or at any adjournments or postponements thereof on the basis of one vote for each Common Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to November 17, 2017; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he, she or it owns the Common Shares and demands, not later than ten (10) days before the Meeting, that his, her or its name be included on the list of persons entitled to vote at the Meeting, in which case, the transferee shall be entitled to vote such Common Shares at the Meeting. The transfer books will not be closed.

As of the date hereof, 206,151,403 Common Shares were issued and outstanding as fully paid and non-assessable.

As of the date hereof, to the knowledge of the directors and executive officers of the Company, there are no persons or companies known to the Company who beneficially own, directly or indirectly, or control or direct Common Shares carrying 10% or more of the voting rights attached to all of the Common Shares.

As of the date hereof, the directors and executive officers of the Company, as a group, beneficially own, directly or indirectly, 14,011,032 Common Shares representing approximately 6.80% of the issued and outstanding Common Shares of the Company.

As of the date hereof, the directors and executive officers of the Company, as a group, beneficially own, directly or indirectly: (a) 12,694,608 options (“**Options**”) to purchase Common Shares issuable pursuant to the Company’s amended and restated incentive stock option plan (the “**Option Plan**”). If all such Options were exercised, the directors and executive officers of the Company, as a group, would hold approximately 12.95% of the then issued and outstanding shares (on a fully-diluted basis).

Bought Deal Private Placement of Convertible Debenture Units

On November 14, 2017, the Company closed its previously announced bought deal private placement of 40,250 convertible debenture units (the "**Convertible Debenture Units**") with a syndicate of underwriters, led by Canaccord Genuity Corp., including Beacon Securities Limited, Cormark Securities Inc., Eight Capital, GMP Securities L.P., and PI Financial Corp., for gross proceeds of approximately \$40.25 million.

Each Convertible Debenture Unit, at a price of \$1,000, is comprised of \$1,000 principal amount of 8.0% senior unsecured convertible debentures (the "**Convertible Debentures**") and 313 common share purchase warrants (the "**Warrants**") of the Company. The Convertible Debentures bear interest payable annually in arrears on December 30, 2018 and thereafter semi-annually on the last day of June and December in each year and will mature on November 14, 2019. Each Warrant is exercisable to acquire one Common Share at an exercise price of \$1.80 per Common Share until November 14, 2020, subject to customary adjustments.

MEETING MATTERS

Financial Statements

The audited financial statements of the Company for the period ended June 30, 2017 and the report of the auditors thereon will be received at the Meeting. The audited financial statements of the Company and the report of the auditors were previously provided to each Shareholder entitled to receive a copy of the Notice of Meeting and this Information Circular and who requested a copy of the audited financial statements and the report of the auditors thereon. The financial statements are also available on SEDAR at www.sedar.com.

Election of Directors

The term of office for each director is from the date of the Meeting at which he is elected until the annual meeting next following or until his successor is elected or appointed. At the Meeting, a board of five (5) directors will be proposed for election. Management has been informed that each of the proposed nominees listed below is willing to serve as a director if elected.

The following table sets forth certain information regarding the nominees, their respective positions with the Company, principal occupations or employment during the last five (5) years, the dates on which they became directors of the Company and the approximate number of Common Shares beneficially owned by them, directly or indirectly, or over which control or direction is exercised by them as of November 17, 2017.

Name and Residence	Position held with the Company	Director Since	Principal Occupation for the Previous Five Years	Common Shares Beneficially Owned Directly or Indirectly⁽¹⁾
John Fowler East York, Ontario Canada	CEO and Director	December 19, 2014	CEO of the Company since December 19, 2014; President of the Company from December 19, 2014 to October 19, 2017; Director of Operations of the Company from May 2013 to December 19, 2014; Previously, a corporate lawyer at Torkin Manes LLP since August 2013.	2,374,420
Navdeep Dhaliwal Toronto, Ontario, Canada	President and Director ⁽³⁾	November 16, 2015	President of the Company since October 19, 2017, CFO of the Company from April 25, 2016 to October 19, 2017; Principal of NLX Capital Corp. since 2012; VP Corporate Development at Novalux Energy Corp. from 2011 to 2012; VP / Associate at Trivandrum Capital from 2008 to 2010; began career with KPMG LLP from 2005 to 2008.	424,906 ⁽⁵⁾
Scott Walters Toronto, Ontario, Canada	Director ⁽²⁾⁽³⁾	April 21, 2016	Principal at AgriConsult since June 2012, CEO at Molecular Science Corp. since October 2015; Partner of MoreFarms Oregon LLC since September 2016; Former Managing Director at Stifel Financial Corp. from 2010 to 2012	N/A
Michael La Brier Toronto, Ontario, Canada	Director, Chairman of the Board	April 21, 2016	Professional Venture Capitalist; Former Director of Primaris REIT from 2003 to 2007 and Former President and Co-Founder of Canderel Stoneridge Equity Group Inc.	11,025,706 ⁽⁴⁾
Ronald Factor Toronto, Ontario, Canada	Director ⁽³⁾	May 8, 2017	President at Geolam, Inc. since May 2010. Former partner and global leader of the supply chain practice at Deloitte consulting.	186,000

Notes:

- (1) Includes all Common Shares held by the spouse or children living in the same residence of such individual, corporations controlled by them or family trusts of such individual. Where Common Shares are held indirectly through corporations in which the individual has less than full ownership of the shares of such corporation, the Common Shares reported are based on the individual's pro rata interest in the Company holding the Common Shares. The information as to residence, principal occupation and share ownership is not within the knowledge of management of the Company and has been furnished by the respective directors.
- (2) Chair of the Audit and Finance Committee.
- (3) Member of the Audit and Finance Committee.
- (4) Includes 5,600,000 Common Shares owned by Hunter's Glen Investments Inc., a company over which Mr. La Brier exercises direction. Also includes 5,425,706 Common Shares owned by Wendy La Brier, over which shares Mr. La Brier has direction.
- (5) Includes Common Shares owned by the spouse of Mr. Dhaliwal.

Corporate Cease Trade Orders or Bankruptcies

No director or executive officer of the Company is, or has been, within the past ten (10) years before the date hereof, a director or executive officer of any issuer that, while that person was acting in that capacity:

(i) was the subject of a cease trade or similar order or an order that denied the issuer access to any

exemption under securities legislation for a period of more than thirty (30) consecutive days; or (ii) was subject to an event that resulted, after the person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation for a period of more than thirty (30) consecutive days.

No director or executive officer of the Company is, or has been, within the past ten (10) years before the date hereof, a director or executive officer of any issuer 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.

Personal Bankruptcies

No director of the Company has, within the ten (10) years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Penalties or Sanctions

No director of the Company has: (i) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, other than penalties for late filing of insider reports; or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies FOR the election of each of the nominees specified above as directors of the Company. If, prior to the Meeting, any vacancies occur in the proposed nominees herein submitted, the persons named in the enclosed form of proxy intend to vote FOR the election of any substitute nominee or nominees recommended by management of the Company and FOR each of the remaining proposed nominees.

Appointment of Auditors

On December 16, 2016, MNP LLP ("MNP") was appointed as auditor of the Company. At the Meeting, Shareholders will be requested to appoint MNP as auditor of the Company to hold office until the next annual meeting of Shareholders or until a successor is appointed, and to authorize the directors to fix the auditors' remuneration.

Absent contrary instructions, proxies given pursuant to this solicitation by the management of the Company will be voted "FOR" the appointment of MNP as the auditor of the Company to hold office until the next annual meeting of Shareholders or until a successor is appointed and the authorization of the directors to fix the remuneration of the auditor.

Company Name Change

At the Meeting, Shareholders will be asked to consider, and if thought advisable, to pass a special resolution (the "**Name Change Resolution**") approving an amendment to the Company's articles to

change the Company's name from "Supreme Pharmaceuticals Inc." to "The Supreme Cannabis Company, Inc." (the "**Name Change**"), in substantially the form attached hereto as Appendix "B".

In accordance with the provisions of the *Canada Business Corporations Act*, the Name Change must be approved by not less than two-thirds of the votes cast in respect of the Name Change Resolution by Shareholders, present in person or by proxy at the Meeting.

Absent contrary instructions, proxies given pursuant to this solicitation by the management of the Company will be voted "FOR" the approval of the Name Change.

Option Plan

The Option Plan is described under the heading "Executive Officer and Director Compensation – Option Plan" below. Pursuant to the Option Plan, options to purchase Common Shares may be granted by the Board to directors, officers, employees and consultants of the Company or its subsidiaries.

The Option Plan is a "rolling" plan that provides that the maximum aggregate number of Common Shares reserved for issuance under the Option Plan does not exceed 10% of the issued and outstanding Common Shares from time to time. As a result, any increase in the issued and outstanding Common Shares will result in an increase in the number of Common Shares available for issue upon exercise of options granted pursuant to the Option Plan, and any exercise or cancellation of options will make new grants available under the Option Plan, effectively resulting in a reloading of the number of options available for grant pursuant to the Option Plan.

Under the policies of the TSX Venture Exchange (the "**TSX.V**"), a rolling stock option plan must be re-approved on a yearly basis by Shareholders. At the Meeting, Shareholders will be asked to pass an ordinary resolution re-approving the Stock Option Plan (the "**Option Plan Resolution**"). The Board approved the Option Plan on November 17, 2017.

Pursuant to the Board's authority to govern the implementation and administration of the Option Plan, all previously granted and outstanding stock options shall be governed by the provisions of the Option Plan.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, the Option Plan Resolution to re-approve the Option Plan. A copy of the Option Plan Resolution is attached as Appendix "C" and a copy of the Option Plan can be found in the management information circular of the Company dated November 24, 2014, a copy of which is available under the Company's profile on SEDAR at www.sedar.com.

To be effective, the Option Plan Resolution must be approved by more than 50% of the votes cast in respect of the Option Plan Resolution, present in person or by proxy at the Meeting.

Absent contrary instructions, proxies given pursuant to this solicitation by the management of the Company will be voted "FOR" the re-approval of the Option Plan.

Restricted Share Unit Plan

On November 17, 2017, the Board approved the adoption of the restricted share unit plan (the "**RSU Plan**"). The RSU Plan is subject to the final acceptance of the TSX.V. The RSU Plan is also subject to the approval of the Shareholders, excluding the votes of Shareholders eligible to receive grants pursuant to the RSU Plan and their affiliates and associates (the "**Disinterested Shareholders**"). The purpose of the RSU Plan is to assist and encourage directors, employees and consultants of the Company and its

subsidiaries to work towards and participate in the growth and development of the Company and its subsidiaries and to provide such persons with the opportunity to acquire an ownership interest in the Company.

At the Meeting, Shareholders will be asked to pass an ordinary resolution approving the RSU Plan. A summary of certain provisions of the RSU Plan is set out below. This summary is qualified in its entirety by the full text of the RSU Plan which will be available for viewing at the Meeting and at the Company's head office located at 371 Jones Avenue, Toronto, Ontario, M4J 3G5 (Attention: Dimitre Naoumov) during regular business hours up to the day before the Meeting.

Eligibility

RSUs may be granted to any employee, director or consultant of the Company or its subsidiaries (collectively, "**Eligible Persons**"), other than persons conducting investor relations activities, from time to time by the Board, subject to the limitations set forth in the RSU Plan, but may not be granted when that grant would be prohibited by or in breach of applicable laws or any black out period then in effect.

Authority of the Board

The RSU Plan is administered by the Board or a committee thereof. Subject to the limitations of the RSU Plan, without limiting the generality of the foregoing, the Board has the power to: (i) determine which Eligible Persons are to be granted RSUs and the number of RSUs to be issued to those Eligible Persons; (ii) determine the terms under which RSUs are granted; (iii) prescribe the form of agreement governing a particular grant of RSUs (the "**RSU Agreement**"); (iv) interpret the RSU Plan and determine all questions arising out of the RSU Plan and any RSUs granted pursuant to the RSU Plan; and (v) prescribe, amend and rescind rules and procedures relating to the RSU Plan.

Shares Reserved

The maximum number of Common Shares which may be reserved for issuance under the RSU Plan at any time, in combination with all security-based compensation arrangement of the Company from time to time, will not exceed 10% of the issued and outstanding Common Shares at the time of the grant of RSUs, subject to adjustment by the Board in the event of a change in the capital of the Company. Any increase in the issued and outstanding Common Shares will result in an increase in the number of Common Shares that may be issued under the RSU Plan at any time and any increase in the number of RSUs granted will, upon the settlement thereof, make new grants available under the RSU Plan.

Limits on Participation

The RSU Plan provides for the following limits on grants, unless approval by Disinterested Shareholders in accordance with the rules of the TSX.V is obtained:

- the maximum number of Common Shares reserved for issuance to insiders under the RSU Plan, together with any other share compensation arrangement, may not exceed 10% of the issued and outstanding Common Shares;
- the maximum number of RSUs that may be granted to insiders under the RSU Plan, together with any other share compensation arrangement of the Company, within a twelve month period, may not exceed 10% of the issued and outstanding Common Shares calculated on the grant date; and

- the maximum number of RSUs that may be granted to any one Eligible Person under the RSU Plan, together with any other share compensation arrangement of the Company, within a twelve month period, may not exceed 5% of the issued and outstanding Common Shares calculated on the grant date.

For so long as the Company is subject to the requirements of the TSX.V (unless permitted otherwise by the rules of the TSX.V): (i) the maximum number of RSUs that may be granted to a consultant, together with any other share compensation arrangement of the Company, within a twelve month period, may not exceed 2% of the issued and outstanding Common Shares calculated on the grant date.

Grants and Vesting of RSUs

The Board may in its own discretion, at any time, and from time to time, grant RSUs to Eligible Persons as it determines appropriate, subject to the limitations set out in the RSU Plan. The Board may designate one or more Performance Periods (as defined in the RSU Plan) under the RSU Plan. In respect of each designated Performance Period and subject to the terms of the RSU Plan, the Board may from time to time establish the grant date and grant to any Eligible Person one or more RSUs as the Board deems appropriate.

At the time a grant of a RSU is made, the Board may, in its sole discretion, establish such performance conditions for the vesting of RSUs as may be specified in the RSU Agreement (the “**Performance Conditions**”). The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any Performance Conditions. The Board may determine that a RSU shall vest in whole or in part upon achievement of any one Performance Condition or that two or more Performance Conditions must be achieved prior to the vesting of a RSU. Performance Conditions may differ for Restricted Share Units granted to any one Eligible Person to whom RSUs have been granted (a “**Participant**”) or to different Participants. Notwithstanding any other provision of the RSU Plan, the Board may in its sole and absolute discretion accelerate and/or waive any vesting or other conditions, including Performance Conditions, for all or any RSUs for any Participant at any time and from time to time. In no circumstances will RSUs credited to a Participant in respect of a Performance Period vest after three years following the end of the year of the grant date. Any RSUs in respect of a Performance Period that are not vested within three years following the end of the year of the grant date shall be cancelled and no vesting, payment or issuance shall be made under the RSU Plan in respect of such RSUs.

Third Party Offer

If an offer to purchase all of the outstanding Common Shares is made by a third party, the Board may, to the extent permitted by applicable law and upon giving each Participant written notice, effect the acceleration of the vesting of the RSUs granted under the RSU Plan.

Change of Control

Upon a Change of Control (as defined in the RSU Plan), all RSUs that are outstanding but unvested will automatically and irrevocably become vested in full.

Delivery of Shares or Cash

RSUs shall vest pursuant to the vesting schedule set out in a Participant’s RSU Agreement and, subject to any black out periods then in effect, the Company shall redeem such RSUs only at the end of the Performance Period pertaining to the RSUs and issue from treasury one Share for each full RSU that has vested without any further action on the part of the Participant. The Common Shares issued upon

redemption of RSUs shall be registered according to the information in the Company's records for a Participant. No partial RSUs may be issued. Notwithstanding the foregoing, at the sole election of the Company, the Company may redeem all or part of the vested RSUs by making a lump sum payment at the end of the Performance Period pertaining to the RSUs in respect of all RSUs to be redeemed at such time, equal to the amount determined by multiplying the number of RSUs credited to the Participant that are vested on such vesting date by the closing price of the Common Shares for the most recent trading day preceding the vesting date.

Tax and Tax Withholding

The Company shall require such Participant to pay or cause to be paid to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local law relating to the withholding of tax or other required deductions in connection with the exercise of such RSUs (the "**Source Deductions**"); or in the event a Participant does not pay or cause to be paid the amount specified, then the Company shall be permitted to: (a) engage a broker or other agent on behalf of the Participant or Permitted Assign (as defined in the RSU Plan), at the risk and expense of the Participant, to sell a portion of the underlying Common Shares issued on the exercise of such RSU through the facilities of the TSX.V, and to apply the proceeds received on the sale of such underlying Common Shares as necessary so as to ensure that the Company is in compliance with the applicable Source Deductions relating to the exercise of such RSUs, or (b) reduce the number of Common Shares to be issued to a Participant in respect of redeemed RSUs in an amount that is equal in value to the cash amount of the Source Deductions and pay the Source Deductions in cash as necessary. In addition, the Company shall be entitled to withhold from any amount payable to a Participant, such amount as may be necessary so as to ensure that the Company is in compliance with the applicable Source Deductions relating to the exercise of any RSU.

Termination of Employment

Unless otherwise determined by the Board in its sole discretion, or as specified in the applicable RSU agreement:

- upon the voluntary resignation or the termination for cause of a Participant, all of the Participant's RSUs which have been credited to the Participant but remain unvested will be forfeited without any entitlement to such Participant; and
- upon the termination without cause, the disability or the death of a Participant, the Participant or the Participant's beneficiary, as the case may be, shall for each grant of RSUs, have a number of RSUs become vested equal to a prescribed formula as set out in the RSU Plan.

No Compensation for Cancelled RSUs Awards

A Participant ceases to be an Eligible Person on the Participant's last day of actual and active employment with the Company or one of its subsidiaries. For the purposes of the RSU Plan, no period of notice of termination of employment that is or ought to have been given to a Participant, after the date on which the Participant ceases to be an Eligible Person shall be included in determining the Participant's entitlement under the RSU Plan.

Non-Transferability of RSUs

RSUs are non-assignable and non-transferable except by will or by the laws of descent and distribution. All benefits and rights granted under the RSU Plan may only be exercised by the Participant.

Amendments to the RSU Plan

Amendments Without Shareholder Approval

Subject to applicable laws and regulatory approvals, the RSU Plan may be amended without Shareholder approval for the following:

- minor changes of a “house-keeping nature”;
- amending RSUs under the RSU Plan, including, with respect to advancing the date on which any RSU may vest, assignability and the effect of termination of a Participant, provided that such amendment does not adversely alter or impair any RSU previously granted to a Participant without the consent of such Participant;
- amendments necessary to comply with the provisions of applicable law or the applicable rules of the stock exchange on which the Common Shares are then listed, including with respect to the treatment of RSUs granted under the RSU Plan;
- amendments respecting the administration of the RSU Plan;
- amendments necessary to suspend or terminate the RSU Plan, provided that such amendment does not adversely alter or impair any RSU previously granted to a Participant without the consent of such Participant; and
- any other amendment not requiring shareholder approval under applicable law or the applicable rules of the stock exchange on which the Common Shares are then listed.

Amendments Requiring Shareholder Approval

Shareholder approval is required for the following amendments to the RSU Plan (provided that such shareholder approval is a requirement of the stock exchange where the Common Shares are listed for trading):

- the eligibility of a Participant in the RSU Plan;
- removing or exceeding the limits on participation in the RSU Plan;
- increasing the maximum number of Common Shares issuable under the RSU Plan;
- the expiry and termination provisions applicable to the RSUs; and
- granting additional powers to the Board to amend the RSU Plan without Shareholder approval.

Termination

The Board may terminate the RSU Plan at any time in its absolute discretion. If the RSU Plan is so terminated, no further RSUs will be granted, but the RSUs then outstanding will continue in full force and effect in accordance with the provisions of the RSU Plan.

Adjustments

The RSU Plan contains provisions for the adjustment in the number of Common Shares subject to the RSU Plan and issuable on redemption of RSUs in the event of a share consolidation, subdivision, substitution or reclassification, the payment of stock dividends by the Company (other than dividends in the ordinary course) or other relevant changes in the capital of the Company or from a proposed merger, amalgamation or other corporate arrangement or reorganization involving the exchange or replacement of Common Shares for those of another corporation.

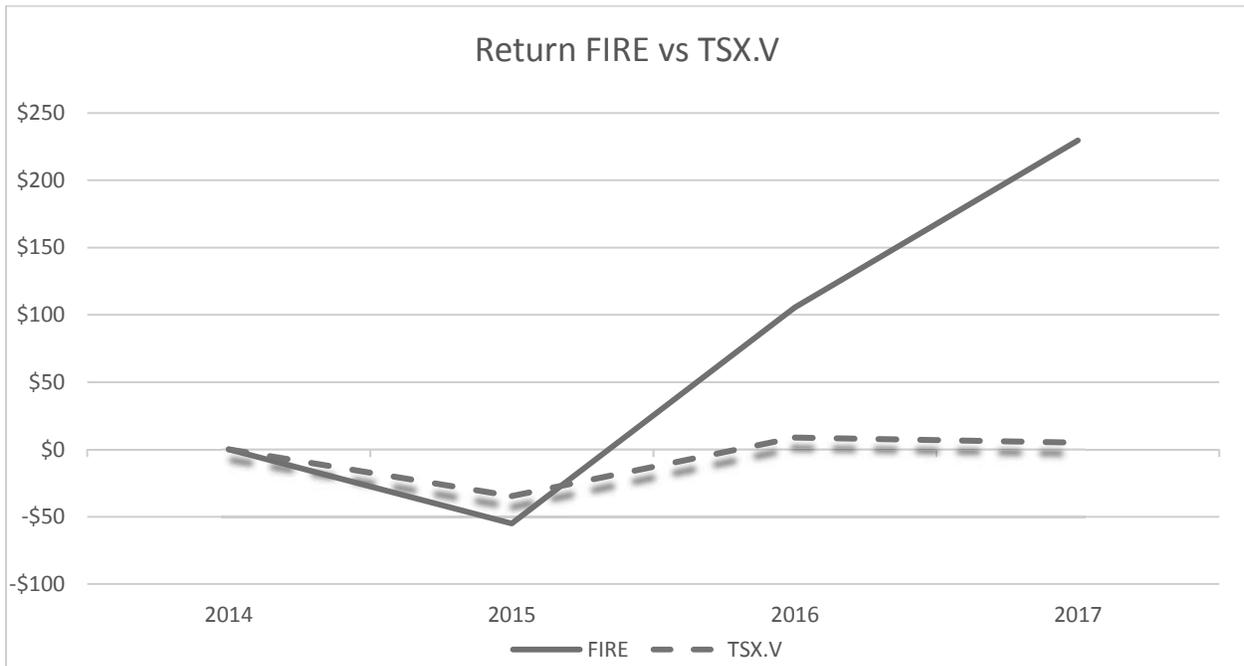
At the Meeting, the Disinterested Shareholders will be asked to consider and approve an ordinary resolution, in substantially the form attached hereto as Appendix “D”, in order to approve the RSU Plan.

Adoption of the RSU Plan must be approved by more than 50% of the votes cast by Disinterested Shareholders in respect of the RSU Plan, present in person or by proxy at the Meeting.

Absent contrary instructions, proxies given pursuant to this solicitation by the management of the Company will be voted “FOR” approval of the RSU Plan.

PERFORMANCE GRAPH

The following graph compares the total cumulative return to a shareholder who invested \$100 in Common Shares of the Company on June 30, 2014, with the cumulative total return of the TSX.V Composite Index as at the June 30 year end date of the Company for each year following June 30, 2014.



Notes:

- (1) At June 30, 2014 the Company was trading on Canadian Securities Exchange (the “CSE”) under the symbol “SL”
- (2) Effective market opening June 6, 2017, the Common Shares of the Company commenced trading on the TSX.V under the stock symbol “FIRE”. For continuity, the FIRE stock symbol shown in the graph also represents the Company’s former symbol SL.

As described in this Information Circular, the compensation policy for the Company's directors and NEOs (as defined below) is primarily tied to financial performance of the business and long-term shareholder value and not specifically to Common Share performance.

EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

Compensation Discussion and Analysis

Introduction

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's philosophy, objectives and processes regarding executive compensation. This disclosure is intended to communicate the compensation provided to each Chief Executive Officer of the Company ("CEO"), each Chief Financial Officer of the Company ("CFO"), and each of the three most highly compensated executive officers of the Company, if any, whose individual total compensation was more than \$150,000 for the year ended June 30, 2017 (collectively, the "Named Executive Officers" or "NEOs") and the directors of the Company. During the year ended June 30, 2017, the Named Executive Officers of the Company were John Fowler, President, CEO and Director and Navdeep Dhaliwal, CFO and Director.

The description of the Company's compensation philosophy and objectives and the elements of such compensation for the year ended June 30, 2017 is set forth below.

Compensation Philosophy and Objectives in 2017

The executive compensation program adopted by the Company and applied to its executive officers is designed to attract and retain qualified and experienced executives who will contribute to the success of the Company. The executive compensation program attempts to ensure that the compensation of the senior executive officers provides a competitive base compensation package and a strong link between corporate performance and compensation. Senior executive officers are motivated through the program to enhance long-term shareholder value and rewarded for their yearly individual contribution in the context of overall annual corporate performance.

Elements of Compensation in 2017

The executive compensation program during 2017 consisted of two principal components: base compensation and long-term compensation in the form of Options. For the year ended June 30, 2017, all executive compensation was determined and administered by the Board based on recommendations by management of the Company.

Base Compensation

Base compensation for the Named Executive Officers of the Company is set annually, having regard to the individual's job responsibilities, contribution, experience and proven or expected performance, market conditions, as well as to the current and future financial condition of the Company. It is designed to provide income certainty and to attract and retain executives. In setting base compensation levels, consideration is given to such factors as level of responsibility, experience and expertise. Subjective factors such as leadership, commitment and attitude are also considered. The management and Board of the Company have generally considered publicly available information regarding the compensation levels of executives of similarly sized companies within the industry in setting compensation, but have not established a benchmark group of peers. Although the Company strives to compensate the Named

Executive Officers within industry expectations, the base compensation may, from time to time, be reviewed depending on the results of operations.

Stock Options

To provide a long-term component to the executive compensation program, certain executive officers, directors, employees and consultants of the Company during 2017 participated in the Option Plan. The maximization of shareholder value is encouraged by granting Options. Consideration is given to distributing Options amongst the various organizational levels including directors, officers, employees and consultants. The CEO makes recommendations for the CFO and other key employees. Recommendations for Options have historically taken into account factors such as awards made in previous years, the number of Options outstanding per individual and the individual's level of responsibility.

Named Executive Officers and directors are not permitted to purchase financial instruments (including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

Risk Analysis

The Board of the Company considered risks associated with executive compensation and do not believe that the Company's executive compensation policies and practices encourage its executive officers to take inappropriate or excessive risks. Aside from a fixed base salary, NEOs are compensated through the granting of Options which is compensation that is both "at risk" and associated with long-term value creation. The value of such compensation is dependent upon shareholder return over the Option vesting period which reduces the incentive for executives to take inappropriate or excessive risks as their long-term compensation is at risk.

Summary Compensation Table

The following table provides information concerning compensation of the NEOs for the years ended June 30, 2017, 2016 and 2015.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$ ⁽³⁾)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$ ⁽⁵⁾)	Total Compensation (\$)
					Annual Incentive Plans (\$ ⁽⁴⁾)	Long-Term Incentive Plans (\$)			
John Fowler President and CEO ⁽¹⁾⁽⁵⁾	2017	180,000	N/A	3,688,719	N/A	N/A	N/A	N/A	3,868,719
	2016	180,000	250,000	100,000	N/A	N/A	N/A	N/A	530,000
	2015	140,254	N/A	90,185	N/A	N/A	N/A	N/A	230,439
Navdeep Dhaliwal CFO ⁽²⁾⁽⁵⁾	2017	120,000	N/A	3,149,848	N/A	N/A	N/A	N/A	3,269,848
	2016	120,000	100,000	150,000	N/A	N/A	N/A	N/A	370,000
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Mr. Fowler became the President and CEO and a director of the Company on December 19, 2014. Subsequent to June 30, 2017 Mr. Fowler ceased acting as President and remained as CEO.
- (2) Mr. Dhaliwal became the CFO of the Company on April 25, 2016. Subsequent to June 30, 2017 Mr. Dhaliwal ceased acting as CFO and became President.
- (3) Pursuant to their employment contracts, John Fowler and Navdeep Dhaliwal, among others, each received bonus Common Shares upon the Company receiving its license to cultivate cannabis in March of 2016. The deemed issuance price of the Common Shares was \$0.39.

- (4) Excludes amounts of benefits and other perquisites received that are worth less than \$50,000.
(5) Messrs. Fowler and Dhaliwal were not separately compensated for serving as directors of the Company.

The value of Option-based awards is determined based on the grant date fair value of such Option-based awards, as calculated through the use of the Black-Scholes Model. The option fair value reflects an expected life of 5 to 10 years, expected volatility of 89% to 91%, a risk free interest rate of 0.68% to 1.83% and no expected dividends. This methodology was chosen in order to be consistent with the accounting fair value used by the Company in its financial statements and since Black-Scholes is a commonly used methodology for valuing options which provides an objective and reasonable estimate of fair value.

Outstanding Option-Based Awards

The following table sets forth information with respect to the Options held by the NEOs which were outstanding as of June 30, 2017.

Name and Principal Position	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽³⁾	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$)
John Fowler President and CEO ⁽¹⁾	1,000,000	0.75	August 29, 2021	470,000	N/A	N/A	N/A
	2,300,000	2.00	December 15, 2026	Nil			
	250,000	0.41	October 14, 2019	202,500			
	200,000	0.50	January 10, 2021	144,000			
Navdeep Dhaliwal CFO ⁽²⁾	740,858	0.75	August 29, 2021	348,203	N/A	N/A	N/A
	2,000,000	2.00	December 15, 2026	Nil			

Notes:

- (1) Mr. Fowler became the President, CEO and a director of the Company on December 19, 2014. Subsequent to June 30, 2017 Mr. Fowler ceased acting as President and remained as CEO. Mr. Fowler is not separately compensated for serving as a director of the Company.
(2) Mr. Dhaliwal became the CFO of the Company on April 25, 2016. Subsequent to June 30, 2017 Mr. Dhaliwal ceased acting as CFO and became President. Mr. Dhaliwal is not separately compensated for serving as a director of the Company.
(3) Based on the difference between the exercise price of the Options and the \$1.22 closing price of the Common Shares as at June 30, 2017.

Option Plan

The Option Plan is intended to assist the Company by encouraging its officers, directors, employees and consultants of the Company or its subsidiaries (collectively, the “**Participants**”) to increase the Participants’ proprietary interest in the Company, and to retain and incentivize each Participant, thereby aligning the interests of such persons with the interests of Shareholders. The below is a summary of a number of the terms of the Option Plan and is qualified in its entirety by the full text of the Option Plan, which can be found in the management information circular of the Company dated November 24, 2014, a copy of which is available under the Company’s profile on the Canadian System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com.

Pursuant to the Option Plan, the Board may, from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable Options, provided that the number of Common Shares reserved for issuance under the Option Plan does not exceed 10% of the issued and

outstanding Common Shares from time to time, exercisable for a period of up to ten (10) years. In addition, unless disinterested Shareholder approval has been obtained, the number of Common Shares reserved for issuance to any optionee in any 12-month period shall not exceed 5% of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to any consultant, shall not, in any 12-month period, exceed 2% of the Common Shares reserved for issuance under the Option Plan. The Board may determine the price per Common Share and the number of Common Shares that may be allotted to each Participant and all other terms and conditions of the Option, provided that the price per Common Share set by the Board is not less than (a) the then market price of the Common Shares on the TSX.V or such other exchange on which the Common Shares are listed, at the time of the grant of the Option, and (b) the maximum discount permitted (if any) by any such applicable exchange or market.

Except in the case of termination for cause or death of a Participant, outstanding Options must be exercised by the date that is thirty (30) days following the cessation of an optionee's position with the Company. In the event an optionee ceases to be a director, officer, employee or consultant of the Company due to death, the estate of the Participant shall be entitled to exercise the outstanding Options within one (1) year of the death of the Participant. If, prior to the exercise of an Option, the option holder ceases to be a director, officer, employee or consultant of the Company, or any subsidiary for any reason, such Option shall be limited to the number of Common Shares purchasable by him or her immediately prior to the time of his or her cessation of office or employment and he or she will have no right to purchase any other Common Shares.

In the event a Participant ceases to be either a director, employee, consultant or "management company employee" of the Company or any of its subsidiaries as a result of having been dismissed from any such position for cause, all unexercised Options of that Optionee under the Option Plan shall immediately become terminated.

Subject to approval by the Shareholders, the Option Plan will allow for the extension of the expiry date for Options during a black-out period imposed by the Company. In the event that the expiration date of an Option falls within such a black-out period or within nine (9) business days after a black-out period, the expiry date of such Options shall be altered to be ten (10) business days after the black-out period ends.

Taxes

Under the Option Plan, the Company is authorized to withhold such amounts from an Optionee as is necessary to comply with the Company's tax withholding obligations.

Alterations in Share Capital

The Option Plan allows for adjustment to the Options outstanding in the event of a number of circumstances, including an increase or decrease in the number of Common Shares, an exchange or conversion of Common Shares or a change to the Common Shares as a result of a subdivision, redivision, consolidation, reclassification, payment of a stock dividend, amalgamation, merger, corporate arrangement, reorganization, liquidation or other adjustment to the Common Shares. Such adjustments are to be made at the discretion of the Board.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information with respect to the value of Options granted pursuant to the Option Plan to the Named Executive Officers that vested during the year ended June 30, 2017.

Name and Principal Position	Option-Based Awards - Value Vested During Year (\$) ⁽³⁾	Share-Based Awards - Value Vested During Year (\$)	Non-Equity Incentive Plan Compensation
John Fowler President and CEO ⁽¹⁾	470,000	Nil	Nil
Navdeep Dhaliwal CFO ⁽²⁾	348,203	Nil	Nil

Notes:

- (1) Mr. Fowler became the President, CEO and a director of the Company on December 19, 2014. Subsequent to June 30, 2017 Mr. Fowler ceased acting as President and remained as CEO.
- (2) Mr. Dhaliwal became the CFO of the Company on April 25, 2016. Subsequent to June 30, 2017 Mr. Dhaliwal ceased acting as CFO and became President.
- (3) Based on the difference between the exercise price of the Options and the \$1.22 closing price of the Common Shares as at June 30, 2017.

Termination and Change of Control Benefits

On November 13, 2014, the Company entered into an employment contract commencing on December 19, 2014 with Mr. Fowler (the “**Fowler Agreement**”). The Fowler Agreement may be terminated on ninety (90) days’ written notice by either party. In the event of a change of control as defined in the Fowler Agreement, Mr. Fowler may elect to terminate the agreement and the Company will pay a change of control termination fee of up to \$250,000 in cash or shares at the option of Mr. Fowler. The total estimated incremental payments, payables and benefits to Mr. Fowler in the event of termination of his employment without cause (other than due to a change of control), as if such event occurred on the last business day of the Company’s most recently completed financial year, is \$180,000.

On April 25, 2016, the Company entered into an employment contract with Mr. Dhaliwal (the “**Dhaliwal Agreement**”). The Dhaliwal Agreement may be terminated on thirty (30) days’ written notice by either party. In the event of a change of control as defined in the Dhaliwal Agreement, Mr. Dhaliwal may elect to terminate the agreement and the Company will pay a change of control termination fee of up to \$200,000. The estimated incremental payments and payables to Mr. Dhaliwal in the event of termination of his employment without cause (other than due to a change of control) is up to \$120,000 with all of Mr. Dhaliwal’s employee benefits continuing for 60 days from the date of termination.

Director Compensation

The following table sets forth all compensation to directors who were not a NEO during the year ended June 30, 2017. John Fowler and Navdeep Dhaliwal are not separately compensated for serving as directors of the Company and their compensation is disclosed above under the heading “*Summary Compensation Table*”.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Ronald Factor ⁽¹⁾	3,000 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	3,000
Michael La Brier	N/A	N/A	1,763,689	N/A	N/A	N/A	1,763,689
Scott Walters	36,000 ⁽²⁾	N/A	1,187,567	N/A	N/A	N/A	1,223,567

Note:

- (1) Ronald Factor was appointed as director on May 8, 2017.
(2) Mr. Walters and Mr. Factor are compensated \$3,000 per month for their services as a Director.

The value of Option-based awards is determined based on the grant date fair value of such Option-based awards, as calculated through the use of the Black-Scholes Model. The option fair value reflects an expected life of 5 to 10 years, expected volatility of 89% to 91%, a risk free interest rate of 0.68% to 1.83% and no expected dividends. This methodology was chosen in order to be consistent with the accounting fair value used by the Company in its financial statements and since Black-Scholes is a commonly used methodology for valuing options which provides an objective and reasonable estimate of fair value.

See “*Outstanding Option-Based Awards*” below for disclosure of outstanding Options held by the directors who were not also executive officers as of June 30, 2017.

Director Compensation – Outstanding Option-Based Awards

The following table sets forth information with respect to the Options granted under the Option Plan to the directors (other than Mr. John Fowler and Mr. Navdeep Dhaliwal) that were outstanding as of June 30, 2017.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽²⁾	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$)
Ronald Factor ⁽¹⁾	Nil	N/A	N/A	Nil	Nil	Nil	Nil
Scott Walters	300,000	0.75	April 25, 2021	141,000	Nil	Nil	Nil
	135,000	0.75	August 29, 2021	63,450			
	800,000	2.00	December 15, 2026	Nil			
Michael La Brier	500,000	0.75	April 25, 2021	235,000	Nil	Nil	Nil
	791,250	0.75	August 29, 2021	371,888			
	1,000,000	2.00	December 15, 2026	Nil			

Notes:

- (1) Ronald Factor was appointed as director on May 8, 2017.
(2) Based on the difference between the exercise price of the Options and the \$1.22 closing price of the Common Shares as at June 30, 2017.

Director Compensation – Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information with respect to the value of Options granted under the Option Plan to the directors (other than Mr. John Fowler and Mr. Navdeep Dhaliwal) that vested during the year ended June 30, 2017.

Name	Option-Based Awards Value Vested During Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During Year (\$)	Non-Equity Incentive Plan Compensation
Ronald Factor ⁽²⁾	Nil	Nil	Nil
Scott Walters	63,450	Nil	Nil
Michael La Brier	371,888	Nil	Nil

Notes:

- (1) Based on the difference between the exercise price of the Options and the \$1.22 closing price of the Common Shares as at June 30, 2017.
- (2) Ronald Factor was appointed as director on May 8, 2017

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the number of Common Shares to be issued upon exercise of outstanding Options, the weighted-average exercise price of such outstanding Options and the number of Common Shares remaining available for future issuance under equity compensation plans as at June 30, 2017.

<u>Plan Category</u>	<u>Number of Common Shares to be issued upon exercise of outstanding Options</u>	<u>Weighted-average exercise price of outstanding Options</u>	<u>Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)</u>
Equity compensation plans approved by Shareholders	15,423,783	\$1.28	3,459,429 ⁽¹⁾
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
Total	15,423,783	\$1.28	3,459,429 ⁽¹⁾

Note:

- (1) Based on the figure that is 10% of the issued and outstanding Common Shares that are available for issuance under the Option Plan as at June 30, 2017. As at the date thereof, there were 18,883,212 Common Shares issued and outstanding.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, proposed director, executive officer, nor any of their respective associates or affiliates, is or has been indebted to the Company or its subsidiaries since the beginning of the Company's most recently completed financial year.

CORPORATE GOVERNANCE AND AUDIT COMMITTEE DISCLOSURE

The Company's Statement of Corporate Governance Practices and audit committee disclosure required for venture issuers is set out in Appendix "A" to this Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Information Circular, neither the Company nor any director or officer of the Company, nor any proposed nominee for election as a director of the Company, nor any other insider of the Company, nor any associate or affiliate of any one of them has or has had, at any time since the beginning of the year ended June 30, 2017, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Company.

OTHER BUSINESS

Management of the Company is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting. If any other business properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information is contained in the Company's consolidated financial statements and management's discussion and analysis for the year ended June 30, 2017. In addition, a Shareholder may obtain copies of the Company's financial statements and management's discussion and analysis, by contacting the Company by mail at 371 Jones Avenue, Toronto, Ontario, M4J 3G5 or by telephone at (416) 630-7272.

APPENDIX "A"

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Capitalized terms used in this Appendix "A" but not otherwise defined herein shall have the meanings ascribed thereto in the Information Circular to which this Appendix "A" is appended.

Set out below is a description of the Company's current corporate governance practices and other information relating to the Board, per National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") and related disclosure requirements.

1. **Board of Directors:**

- (a) the identity of directors that are independent.

The following directors of the Company are independent (for purposes of NI 58-101):

Michael La Brier;

Scott Walters; and

Ronald Factor

- (b) the identity of directors who are not independent, and the basis for that determination.

John Fowler is not independent as he is an executive officer of the Company (as such term is defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110")).

Navdeep Dhaliwal is not independent as he is an executive officer of the Company (as such term is defined in NI 52-110).

2. **Other Directorships**

None

3. **Orientation and Continuing Education**

Due to the size of the Company's Board, no formal program currently exists for the orientation of new directors and existing directors provide orientation and education to new members on an informal and *ad hoc* basis. No formal continuing education program currently exists for the directors of the Company; however, the Company encourages directors to attend, enroll or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each director of the Company has the responsibility for ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director.

4. **Ethical Business Conduct**

The directors of the Company have not adopted a formal written code of business conduct and ethics. However, the directors of the Company strive to, among other things, promote honest and ethical conduct, avoidance of conflicts of interest and compliance with applicable governmental laws, rules and regulations. The President and Chief Executive Officer of the Company or the directors of the Company as a whole, as appropriate, from time to time, provide officers, directors and other representatives of the

Company guidance in properly recognizing and resolving any legal or ethical issues that they may encounter while conducting the business of the Company. The directors of the Company expect the Company's employees, officers and directors to act with honesty and integrity and to avoid any relationship or activity that might create, or appear to create, a conflict between their personal interest and the interests of the Company, including using their positions with the Company to solicit gifts or other benefits from the Company's customers, suppliers and contractors.

5. **Nomination of Directors**

The Board selects nominees for election to the Board. At present, the Board does not have a process by which the Board identifies new candidates for Board nomination but rather the identification of new candidates is done on an informal and *ad hoc* basis.

6. **Compensation**

The Board is responsible for: (i) evaluating senior management; and (ii) developing appropriate compensation policies for the senior management and directors of the Company. An initial grant of Options is typically made at the time of recruitment and reviewed annually. Subject to compliance with TSX.V policies, other compensation initiatives may be employed from time to time at the discretion of the Board. See also above under the heading "*Director Compensation*".

7. **Other Board Committees**

At present, the Audit and Finance Committee is the only standing committee of the Company. As the Company grows, and its operations and management structure become more complex, the Board expects it will constitute additional formal standing committees, such as a Compensation Committee and a Corporate Governance Committee. The Company expects to appoint individuals to these committees once additional directors have been elected, and will ensure that such committees are composed of at least a majority of independent directors.

8. **Assessments**

The Board makes annual assessments regarding the effectiveness of the Board itself and individual directors in fulfilling their responsibilities, as well as the adequacy of information provided to directors, communication between the Board and management and the strategic direction and processes of the Board.

AUDIT AND FINANCE COMMITTEE INFORMATION

The Audit and Finance Committee of the Board is a committee established for the purpose of overseeing the accounting and financial reporting process of the Company and annual external audits of its financial statements.

The Audit and Finance Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Company's internal accounting standards and practices, financial information, accounting systems and procedures, which procedures are set out below in the Company's Audit Committee Charter.

Composition of the Audit and Finance Committee

The Audit and Finance Committee of the Board operates under written terms of reference that set out its responsibilities and composition requirements. A copy of the terms of reference is included in this Appendix "A". The Audit and Finance Committee consists of Messrs. Scott Walters (Chairman), Navdeep Dhaliwal and Ronald Factor. Pursuant to the terms of the Company's Audit Committee Charter, Messrs. Walters and Factor are independent and all members of the Audit and Finance Committee are financially literate as defined in NI 52-110.

In considering criteria for the determination of financial literacy, the Board looked at the ability to read and understand a balance sheet, an income statement and cash flow statement of a public company. The following sets out the education and experience of each director relevant to the performance of his duties as a member of the Audit and Finance Committee.

Scott Walters

Mr. Walters is a Director and the CEO of MoreEtc. Co, a Partner of MoreFarms Oregon LLC and a Principal of AgriConsult. Prior to these roles, Mr. Walters was managing director at Stifel Financial Corp. Mr. Walters has an extensive history in financing and starting companies in the legal cannabis industry in Canada and the USA, Mr. Walters has been a management consultant with over 20 years of international experience and extensive exposure to capital markets, start-ups, risk management and financial institutions.

Navdeep Dhaliwal

Mr. Dhaliwal is the President of the Company and previously was the CFO of the Company. Mr. Dhaliwal held various senior business development position prior to joining the Company.

Ronald Factor

Mr. Factor is a Director and the President of Geolam, Inc. and a former partner and global leader of the supply chain practice at Deloitte consulting.

Audit Committee Oversight

At no time since the commencement of the most recently completed financial year of the Company was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the directors of the Company.

Reliance on Certain Exemptions

At no time since the commencement of the most recently completed financial year of the Company has the Company relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-Audit Services), or an exemption from the application of NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

Auditors' Fees

MNP LLP served as the Company's auditors for the years ended June 30, 2017 and 2016. Fees paid to the Company's auditors for the years ended June 30, 2017 and 2016 are detailed below:

Fee	For the year ended June 30, 2017	For the year ended June 30, 2016
Audit Fees ⁽¹⁾	\$53,500	\$32,100.00
Audit Related Fees ⁽²⁾	\$16,050.00	\$7,222.51
Tax Fees ⁽³⁾	\$5,000.00 (est.)	\$5,350.00
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$74,550.00	\$44,672.51

Notes:

- (1) "Audit Fees" include the aggregate professional fees paid to the external auditors for the audit of the annual consolidated financial statements and other annual regulatory audits and filings.
- (2) "Audit Related Fees" includes the aggregate fees paid to the external auditors for services related to the audit services, including reviewing quarterly financial statements and management's discussion thereon and conferring with the Board and Audit and Finance Committee regarding financial reporting and accounting standards.
- (3) "Tax Fees" include the aggregate fees paid to external auditors for tax compliance, tax advice, tax planning and advisory services, including namely preparation of tax returns.
- (4) "Other Fees" may include fees for assurance procedures in connection with filings statements and information circulars and services related to underwriter's due diligence.

All permissible categories of non-audit services require pre-approval by the Audit and Finance Committee, subject to certain statutory exemptions.

**Audit Committee Charter
Supreme Pharmaceuticals Inc.
(the Company)**

Organization

There shall be a committee of the board of directors (the “**Board**”) of Supreme Pharmaceuticals Inc. (“**Supreme**”) known as the Audit and Finance Committee (the “**Committee**”). This charter shall govern the operations of the Committee.

Membership and Qualifications

The membership of the Committee shall be appointed by the Board and shall consist of at least three directors, the majority of whom will be non-officers (the “**Independent Directors**”).

Each independent member of the Committee shall be, while at all times a member of the Committee, free of any relationship that, in the opinion of the Board, would interfere with the members individual exercise of independent judgment.

Each member of the Committee shall be, while at all times a member of the Committee, generally knowledgeable in financial and auditing matters, specifically possessing the ability to read and understand fundamental financial statements including Supreme’s balance sheet, statement of operations and statement of cash flows.

The Board shall appoint one member of the Committee as chair. The chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting to the Board. The chair will also maintain regular liaison with Supreme’s CEO, CFO and lead independent audit partner.

Role

The Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, reporting practices, systems of internal accounting and financial controls, the annual independent audit of Supreme’s financial statements, and the legal compliance and ethics programs of Supreme as established by management and the Board shall also perform any other related duties as directed by the Board. In fulfilling this role, the Committee is expected to maintain free and open communications with the independent auditors and management of Supreme and shall meet at least once each quarter.

While the Committee has the responsibilities and powers set forth below in this charter under the headings “Authority” and “Responsibilities and Processes”, it is not the duty of the Committee to conduct audits or to determine that Supreme’s financial statements are fairly presented and are in accordance with generally accepted accounting principles. Management is responsible for the preparation of financial statements in accordance with generally accepted accounting principles. It is the role of the independent auditors to audit the financial statements.

Authority

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 Supreme. The Committee has the power to engage and determine funding for outside 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. Supreme shall provide appropriate funding, as determined by the Committee, for payment of compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Supreme and for any advisors employed by the Committee as well as for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Responsibilities and Processes

The Committee's primary responsibilities include:

- overseeing Supreme's financial reporting process on behalf of the Board and reporting the results or findings of its oversight activities to the Board;
- having sole authority to appoint, retain and oversee the work of Supreme's independent auditors and establishing the compensation to be paid to the independent auditors. Supreme's independent auditors shall report directly to the Committee;
- establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and/or auditing matters for the confidential, anonymous submission by Supreme's employees of concerns regarding questionable accounting or auditing matters;
- pre-approving all audit services and permissible non-audit services as may be amended from time to time; and
- overseeing Supreme's system to monitor and manage risk, and legal and ethical compliance programs, including the establishment and administration (including the grant of any waiver from) a written code of ethics applicable to each of Supreme's principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible in order to react more effectively to changing conditions and circumstances. The Committee shall take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices and ethical behaviour.

The following shall be the principal recurring processes of the Committee relating to its oversight responsibilities. These processes are set forth as a guide, with the understanding that the Committee may supplement them as appropriate and is not intended to be a comprehensive list of all the actions that the Committee will take in discharging its duties. These processes are:

- discussing with the independent auditors the objectivity and independence of the auditors and any relationships that may impact the auditors' objectivity or independence and receiving from the independent auditors disclosures regarding its independence and written affirmation that the independent auditors is in fact independent, and taking any action, or recommending that the Board take appropriate action to oversee the independence of the independent auditors;
- overseeing the independent auditors relationship by discussing with the auditors the nature and scope of the audit process, receiving and reviewing audit reports, and providing the auditors full

access to the Committee to report on any and all appropriate matters. The Committee has the sole authority to resolve disagreements, if any, between management and the independent auditors;

- discussing with the independent auditors and Supreme's financial and accounting personnel, together and in separate sessions, the adequacy and effectiveness of the accounting and financial controls of Supreme and eliciting recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures may be desirable;
- providing sufficient opportunity for the independent auditors to meet with the members of the Committee without members of management present. Among the items to be discussed in these meetings are the independent auditors' evaluation of Supreme's financial and accounting personnel and the cooperation that the independent auditors received during the course of the audit;
- discussing with management their review of the adequacy of Supreme's disclosure controls and procedures, the effectiveness of such controls and procedures and any findings following such review;
- reviewing Supreme's system to monitor, assess and manage risk and legal and ethical compliance program;
- reviewing and discussing with management and the independent auditors prior to the filing of Supreme's annual report:
 - (1) Supreme's annual financial statements and related footnotes and other financial information, including the information in the "Management's Discussion and Analysis";
 - (2) the selection, application and effects of Supreme's critical accounting policies, practices and the reasonableness of significant judgments and estimates made by management;
 - (3) alternative and preferred treatment of financial information under generally accepted accounting principles;
 - (4) all material arrangements, off-balance sheet transactions and relationship with any unconsolidated entities or any other persons which may have a material, current or future, effect on the financial condition of Supreme;
 - (5) any material written communications between the independent auditors and management;
 - (6) the independent auditors' audit of the financial statements and its report thereon;
 - (7) any significant finding and recommendations of the independent auditors and management's responses thereto;
 - (8) any significant changes in the independent auditors' audit plan;
 - (9) any serious difficulties or disputes with management encountered during the course of the audit;

- (10) any related significant findings and recommendations of the independent auditors together with management's responses thereto; and
 - (11) other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.
- preparing a report to be included in Supreme's Information Circular that states the Committee has:
 - (1) analyzed and discussed the audited financial statements with management;
 - (2) discussed with the independent auditors the auditors' independence;
 - (3) considered the audit and non-audit services provided by the independent auditors, and the fees paid for such services; and
 - (4) the Committee shall review in advance all announcements of interim and annual financial results, as well as any periodic guidance to be publicly released by Supreme and discuss such announcements with management and the independent auditors.
 - reviewing and discussing with management and the independent auditors prior to the filing of Supreme's quarterly report:
 - (1) CFO's interim financial statements and related footnotes and other financial information, including the information in the "Management's Discussion and Analysis";
 - (2) the selection, application and effects of Supreme's critical accounting policies, practices and the reasonableness of significant judgments and estimates made by management;
 - (3) alternative and preferred treatment of financial information under generally accepted accounting principles; and
 - (4) all material arrangements, off-balance sheet transactions and relationship with any unconsolidated entities or any other persons which may have a material current or future effect on the financial condition of Supreme.
 - reviewing and either approving or disapproving all related party transactions;
 - submitting the minutes of all meetings of the Committee to, or discussing the matters discussed at each committee meeting with, the Board;
 - reviewing and assessing the adequacy of this charter annually and recommend any proposed changes to the Board for its approval; and
 - the chair of the Committee, or another Committee member designated by the Chairman, is authorized to act on behalf of the Committee with respect to required Committee responsibilities which arise between regularly scheduled Committee meetings, with the independent auditors and management, as well as the pre-approval of non-audit services provided by the independent auditors, as necessary, as contemplated by the Committee's policies. Any such pre-filing discussions and pre-approvals shall be reported to the Committee at a subsequent meeting.

Reviewed and approved by the Supreme Board on November 17, 2017.

APPENDIX "B"

COMPANY NAME CHANGE RESOLUTION

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. The Company is authorized to amend its articles to change the name of the Company to “The Supreme Cannabis Company, Inc.”;
2. The Company shall deliver articles of amendment in the prescribed form to the Director appointed under the *Canada Business Corporations Act*; and
3. Any officer or director of the Company is authorized to sign and deliver the articles of amendment and sign and deliver all other documents and do all other acts and things as may be necessary or desirable to give effect to this resolution.

APPENDIX "C"

OPTION PLAN RESOLUTION

BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. The Company's Option Plan be and is hereby ratified, confirmed and approved with such additional provisions and amendments, provided that such are not inconsistent with the policies of the TSX Venture Exchange, as the directors of the Company may deem necessary or advisable.

APPENDIX "D"

RSU PLAN RESOLUTION

BE IT RESOLVED, WITH OR WITHOUT AMENDMENT, WITH ALL THOSE ELIGIBLE TO RECEIVE GRANTS PURSUANT TO THE RSU PLAN ABSTAINING FROM VOTING, THAT:

1. Subject to final acceptance of the TSX Venture Exchange (the "TSX.V"), the Company's Restricted Share Unit Plan (the "RSU Plan"), in the form as approved by the directors of the Company on November 17, 2017, is hereby approved;
2. The directors of the Company or any committee of the board of directors of the Company are hereby authorized to grant restricted share units ("RSUs") pursuant to the RSU Plan to those eligible to receive RSUs thereunder;
3. Any one director or officer of the Company be and is hereby authorized to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in such director's opinion may be necessary to give effect to the matters contemplated by these resolutions; and
4. Notwithstanding that this resolution be passed by the shareholders of the Company, the adoption of the proposed RSU Plan is conditional upon receipt of final approval of the TSX.V, and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable to the directors.

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