

Supreme.

TSXV:FIRE

THE SUPREME CANNABIS COMPANY, INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held on December 10, 2018

TO THE SHAREHOLDERS OF THE SUPREME CANNABIS COMPANY, INC.

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of The Supreme Cannabis Company, 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 10, 2018 for the following purposes:

1. to receive the audited financial statements of the Company for the period ended June 30, 2018 and the report of the auditors thereon;
2. to re-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 an ordinary resolution re-approving the Company’s amended and restated incentive stock option plan, 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 restricted share unit plan, as more particularly described in the accompanying Information Circular;
6. to consider and, if thought advisable, to pass an ordinary resolution approving an employee share purchase plan, to become effective if, and at such time following the date of the Meeting, as the board of directors of the Company so determine, as more particularly described in the accompanying Information Circular;
7. to consider and, if deemed advisable, to pass with or without modification a special resolution approving a future consolidation of the Company’s issued and outstanding Common Shares on the basis of one (1) post-consolidation Common Share for up to five (5) pre-consolidation Common Shares if, and at such time following the date of the Meeting, as the board of directors of the Company so determine, as more particularly described in the Circular; and
8. 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 6, 2018 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 7, 2018 as the record date. Shareholders of record at the close of business on November 7, 2018 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 7, 2018, 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) "*Navdeep Dhaliwal*"

Navdeep Dhaliwal
Chief Executive Officer and Director

November 7, 2018

Supreme.

TSXV:FIRE

INFORMATION CIRCULAR

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON DECEMBER 10, 2018

PURPOSE OF SOLICITATION

This Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by the management of The Supreme Cannabis Company, 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 10, 2018 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 7, 2018, 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 6, 2018 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 7, 2018 as the record date. Shareholders at the close of business on November 7, 2018 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 7, 2018; 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, 282,714,522 Common Shares were issued and outstanding as fully paid and non-assessable. The outstanding Common Shares are traded on the TSXV Venture Exchange (the "**TSXV**") under the trading symbol "**FIRE**", on the OTCQX Best Market under the symbol "**SPRWF**" and on the Frankfurt Stock Exchange under the symbol "**53S1**".

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, 3,759,325 Common Shares representing approximately 1.33% 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) 1,067,055 warrants and (b) 21,232,108 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 warrants and Options were exercised, the directors and executive officers of the Company, as a group, would hold approximately 7.08% of the then issued and outstanding shares (on a fully-diluted basis).

Bought Deal Convertible Debenture Offering

On October 19, 2018, the Company closed its previously announced bought deal offering for gross proceeds of \$100 million, including the exercise, in full, of the underwriters’ over-allotment option (the “**Offering**”), comprised of 6.0% senior unsecured convertible debentures (the “**Debentures**”) of the Company at the issue price of \$1,000 per Debenture, with a syndicate of underwriters, co-led by GMP Securities L.P. and BMO Capital Markets, including Cormark Securities Inc., Eight Capital, Beacon Securities Limited and P.I. Financial Corp.

The Debentures have a maturity date that is 36 months from the closing date of the Offering (the “**Maturity Date**”) and bear interest from the date of closing at 6.0% per annum, payable semi-annually on June 30 and December 31 of each year. The Debentures are convertible, at the option of the holder, into Common Shares at any time prior to the close of business on the last business day immediately preceding the Maturity Date at a conversion price of \$2.45 per Common Share (the “**Conversion Price**”), subject to adjustment in certain circumstances. The Company may force the conversion of the principal amount of the then outstanding Debentures at the Conversion Price on not less than 30 days’ notice should the daily volume weighted average trading price of the Common Shares be greater than \$3.43 for any 10 consecutive trading days. The Debentures are listed for trading on the TSXV under the symbol FIRE.DB.

The Company views the completion of the Offering as an important milestone in qualifying for graduation to the Toronto Stock Exchange alongside other leading mature licensed producers in the Canadian cannabis industry.

MEETING MATTERS

Financial Statements

The audited financial statements of the Company for the period ended June 30, 2018 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 six (6)

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 7, 2018.

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⁾
Michael La Brier Toronto, Ontario, Canada	Director, Chairman of the Board	April 25, 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. from 1996 to 2003.	Nil
John Fowler Toronto, Ontario Canada	President and Director ⁽⁵⁾	December 19, 2014	President of the Company since September 24, 2018; CEO of the Company from December 19, 2014 to September 24, 2018; President of the Company from December 19, 2014 to October 9, 2017; Previously, a corporate lawyer at Torkin Manes LLP from August 2013 to November 2014.	2,408,114
Navdeep Dhaliwal Toronto, Ontario, Canada	Chief Executive Officer and Director ⁽³⁾	November 16, 2015	CEO of the Company since September 24, 2018; President of the Company from October 9, 2017 to September 24, 2018; CFO of the Company from April 25, 2016 to October 9, 2017; Principal of NLX Capital Corp. since 2012.	259,586
Ronald Factor Toronto, Ontario, Canada	Director ⁽³⁾⁽⁴⁾	May 8, 2017	President at Geolam, Inc. since May 2010. Former partner and global leader of the supply chain practice at Deloitte consulting from 1980 to 2005.	193,000
Colin Moore Toronto, Ontario, Canada	Director ⁽²⁾⁽⁵⁾	May 15, 2018	Former SVP of Enterprise Optimization of Starbucks Corp. from September 2012 to July 2014; Former President of Starbucks Coffee Canada from June 2002 to September 2012.	Nil
Scott Walters Toronto, Ontario, Canada	Director and Vice President of Corporate Development	April 21, 2016	Officer of the Company since August 2018; Principal at AgriConsult since June 2012; Previously CEO at Molecular Science Corp. from October 2015 to June 2018; Partner of MoreFarms Oregon LLC since September 2016.	Nil

Notes:

- (1) Includes all Common Shares beneficially owned, or controlled or directed, directly or indirectly, by all directors. 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) Chair of the Compensation, Nomination and Governance Committee.
- (5) Member of the Compensation, Nomination and Governance Committee.

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.

Except as disclosed below, 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.

Mr. Dhaliwal was a director and officer of Cloud Dynamics Inc., a private company, until his resignation on November 6, 2015. Within a year of Mr. Dhaliwal's resignation, Cloud Dynamics Inc. was placed into receivership under the *Bankruptcy and Insolvency Act* (Canada).

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 18, 2017, 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.

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 TSXV, 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 5, 2018.

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 “B” 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

The restricted share unit plan (the “**RSU Plan**”) of the Company is described under the heading “*Executive Officer and Director Compensation – RSU Plan*” below. Pursuant to the RSU Plan, restricted share units may be granted by the Board to directors, officers, employees and consultants of the Company or its subsidiaries.

The RSU Plan is a “rolling” plan that provides that 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. 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 under the RSU Plan, and any increase in the number of RSUs granted will, upon the settlement thereof, make new grants available under the RSU Plan.

Under the policies of the TSXV, a rolling 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 RSU Plan (the “**RSU Plan Resolution**”). The Board approved the RSU Plan on November 5, 2018.

Pursuant to the Board’s authority to govern the implementation and administration of the RSU Plan, all previously granted and outstanding RSUs shall be governed by the provisions of the RSU Plan.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, the RSU Plan Resolution to re-approve the RSU Plan. A copy of the RSU Plan Resolution is attached as Appendix “C”.

To be effective, the RSU Plan Resolution must be approved by more than 50% of the votes cast in respect of the RSU 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 RSU Plan.

Employee Share Purchase Plan

On November 5, 2018, the Board approved the adoption of the Employee Share Purchase Plan of the Company (the “**Purchase Plan**”), to become effective if, and at such time following the date of the Meeting, as the Board so determine. The Purchase Plan is intended to assist the Company in attracting and retaining employees and to continue to provide incentives for such persons to exert maximum effort for the success of the Company. Under the Purchase Plan, active employees regularly employed by the Company or any of its subsidiaries who have been employed for at least three months, may contribute, in any fiscal year, up to the lesser of (i) 10% of their total salary and (ii) \$10,000, to purchase Common Shares. All regular full-time employees of the Company and its participating subsidiaries, but not non-executive members of the Board, may participate in the Purchase Plan. The rights of participants under the Purchase Plan are not transferable. The Compensation, Nomination and Governance Committee will administer the Purchase Plan. A copy of the full Purchase Plan is attached hereto as Appendix “F”.

Under the Purchase Plan, the aggregate number of Common Shares that may be issued is 2,500,000, and the maximum number of Common Shares which may be issued in any one fiscal year shall not exceed 1,000,000. Additionally, (i) the aggregate number of Common Shares issuable to insiders, at any time, under all of the Company’s security based compensation arrangements, cannot exceed 10% of the issued and outstanding Common Shares; and (ii) insiders shall not be issued, under this Purchase Plan and all of the Company’s other security based compensation arrangements, within any one-year period, a number of Common Shares which exceeds 10% of the issued and outstanding Common Shares. Common Shares acquired pursuant to the Purchase Plan are not subject to any restrictions on transfer other than those prescribed by applicable securities laws.

If at any time, the Common Shares reserved for issuance under the Purchase Plan are not available in sufficient number to satisfy the purchase requirements, the Company shall apportion pro rata the available Common Shares among the participants and refund any excess contributions accordingly.

The purchase price under the Purchase Plan shall be 80% of the fair market value of the Common Shares on the purchase date for that offering period. The Company will not provide any financial assistance to

eligible employees to facilitate the purchase of Common Shares under the Purchase Plan. The Board will have the right, at its sole discretion, to amend the Purchase Plan from time to time and at any time. No amendment to the Purchase Plan may, however, alter or impair any eligible employee's rights under the Purchase Plan or increase any eligible employee's obligations under the Purchase Plan without that employee's consent.

An employee's right to participate in the Purchase Plan terminates upon the termination of his or her employment for any reason. In this instance, payroll deductions under the Purchase Plan shall cease and any payroll deductions credited to such employee's account shall be used to purchase Common Shares on the next purchase date.

Certain amendments of the Purchase Plan are subject to the prior approval of the Toronto Stock Exchange and may require the approval of the Company's shareholders; in particular, the following amendments to the Purchase Plan require Shareholder approval: (i) amendments to the Purchase Plan which would increase the number of Common Shares issuable under the Purchase Plan, otherwise than in accordance with adjustment provisions of the Purchase Plan; (ii) amendments to the Purchase Plan which would increase the number of Common Shares issuable to insiders under the Purchase Plan, otherwise than in accordance with adjustment provisions of the Purchase Plan; (iii) amendments to the Purchase Plan which would increase the number of Common Shares issuable to directors under the Purchase Plan, otherwise than in accordance with adjustment provisions of the Purchase Plan; (iv) amendments that would reduce the purchase price payable by Insiders; (v) amendments to the Purchase Plan that would result in an extension of the term, under a security based compensation arrangement benefiting an insider of the issuer; (vi) amendments that would increase the percentage discounts set forth in the definition of purchase price; (vii) amendments that would increase the maximum percentage of the annual compensation that any participant may direct be contributed, pursuant to the Purchase Plan, towards the purchase of Common Shares on his or her behalf through payroll deductions; (viii) the addition of any form of financial assistance to a participant; (ix) the adoption of an employer matching contribution; and (x) any amendment to the Purchase Plan that would result in an amendment to an amending provision within the Purchase Plan.

In the event of a proposed or actual Change in Control (as such term is defined in the Purchase Plan), the Company shall require that each outstanding right be assumed or an equivalent right be substituted by the successor or purchaser corporation, unless the Purchase Plan is terminated.

On November 5, 2018, the Board approved the Purchase Plan for the Corporation, to become effective at a date in the future to be determined by the Board. Adoption of the Purchase Plan is subject to shareholder approval at the Meeting, listing of the Common Shares on the Toronto Stock Exchange and approval of the Purchase Plan by the Toronto Stock Exchange. The Company has been advised that the directors and senior officers of the Company intend to vote all Common Shares held by them in favour of the approval of the Purchase Plan Resolution.

At the Meeting, 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 Purchase Plan.

Adoption of the Purchase Plan must be approved by more than 50% of the votes cast by Shareholders in respect of the Purchase 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 Purchase Plan.

Share Consolidation

Basis of Consolidation

The Board is of the opinion that, in the future, it may be in the best interests of the Company to consolidate the Common Shares, and such a consolidation may enhance their marketability as an investment and could facilitate additional financings to fund operations in the future. Accordingly, at the Meeting, Shareholders will be asked to consider and approve, with or without modification, a special resolution authorizing an amendment to the Articles of the Company pursuant to subsection 173(1)(h) of the *Canada Business Corporations Act* (the “**CBCA**”), to consolidate the issued and outstanding Common Shares on the basis of 1 new Common Share for up to 5 existing Common Shares or such lesser ratio that the directors, in their sole discretion, determine to be appropriate (the “**Share Consolidation**”).

Although approval for the Share Consolidation is being sought at the Meeting, if approved, such a Share Consolidation would ultimately become effective at a date in the future to be determined by the Board when the Board considers it to be in the best interests of the Company to implement such a Share Consolidation. The special resolution will also authorize the Board to elect not to proceed with, and abandon, the Share Consolidation at any time if it determines, in its sole discretion to do so. The Share Consolidation is subject to Shareholder approval and to TSXV acceptance.

Risks Associated with the Share Consolidation

There can be no assurance that the market price of the consolidated Common Shares will increase as a result of the Share Consolidation. The marketability and trading liquidity of the consolidated shares of the Company may not improve. The consolidation may result in some shareholders owning “odd lots” of less than 100 or 1,000 Common Shares which may be more difficult for such Shareholders to sell or which may require greater transaction costs per Common Share to sell.

Principal Effects of the Share Consolidation

The Share Consolidation will not have a dilutive effect on the Company’s Shareholders since each Shareholder will hold the same percentage of Common Shares outstanding immediately following the Share Consolidation as such Shareholder held immediately prior to the Share Consolidation. The Share Consolidation will not affect the relative voting and other rights that accompany the Common Shares.

If the Board decides to proceed with the Share Consolidation at the time they deem appropriate, the principal effects of the Share Consolidation include the following:

- (a) the fair market value of each Common Share may increase and will, in part, form the basis upon which further Common Shares or other securities of the Company will be issued (recognizing that the Board may elect to consolidate on the basis of a lesser ratio that it deems appropriate);
- (b) based on the number of issued and outstanding Common Shares as at the date hereof, the number of issued and outstanding Common Shares would be reduced from 282,714,522 to 56,542,904 based on a consolidation ratio of 1 new Common Share for each 5 existing Common Shares;
- (c) the exercise prices and the number of Common Shares issuable upon the exercise or deemed exercise of any stock options or other convertible or exchangeable securities of the Company will be automatically adjusted based on the consolidation ratio selected by the Board; and

- (d) as the Company currently has an unlimited number of Common Shares authorized for issuance, the Share Consolidation will not have any effect on the number of Shares of the Company available for issuance.

Effect on Fractional Shareholders

No fractional shares will be issued, and no cash consideration will be paid, if, as a result of the Share Consolidation, a registered Shareholder would otherwise become entitled to a fractional Common Share. After the Share Consolidation, then current Shareholders will have no further interest in the Company with respect to their fractional Common Shares. This is not, however, the purpose for which the Company is effecting the Share Consolidation.

Effect on Share Certificates

If the Share Consolidation is approved by the Shareholders and implemented by the Board, Registered Shareholders will be required to exchange their Common Share certificates representing pre-consolidation Common Shares for new Common Share certificates representing post-consolidation Common Shares. Following the determination of the consolidation ratio by the Board and as soon as possible following the effective date of the Share Consolidation, Registered Shareholders will be sent a letter of transmittal by the Company's transfer agent, Computershare Investor Services Inc. The letter of transmittal will contain instructions on how to surrender Common Share certificate(s) representing pre-consolidation Common Shares to the transfer agent. The transfer agent will forward to each Registered Shareholder who has sent the required documents a new Common Share certificate representing the number of post-consolidation Common Shares to which the Shareholder is entitled. Until surrendered, each Common Share certificate representing pre-consolidation Common Shares of the Company will be deemed for all purposes to represent the number of whole post-consolidation Common Shares to which the holder is entitled as a result of the Share Consolidation. Shareholders should not destroy any Common Share certificate(s) and should not submit any Common Share certificate(s) until requested to do so. The method of delivery of certificates representing Common Shares and the letter of transmittal and all other required documents will be at the option and risk of the person surrendering them. It is recommended that such documents be delivered by hand to Computershare, at the address noted in the letter of transmittal, and a receipt obtained therefore, or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained.

No new Common Share certificates will be issued to a Shareholder until such Shareholder has surrendered the corresponding "old" Common Share certificates, together with a properly completed and executed letter of transmittal, to the transfer agent. Consequently, following the Share Consolidation, shareholders will need to surrender their old Common Share certificates before they will be able to sell or transfer their Common Shares. If an old Common Share certificate has any restrictive legends on the back thereof, the new Common Share certificate will be issued with the same restrictive legends, if any, that are on back of old Common Share certificate.

If the Share Consolidation is implemented by the Board, intermediaries will be instructed to effect the Share Consolidation for Beneficial Shareholders holding Common Shares indirectly. However, such intermediaries may have different procedures than Registered Shareholders for processing the Share Consolidation. If you hold your Common Shares with such an intermediary and if you have any questions in this regard, the Company encourages you to contact your intermediary.

Procedure for Implementing the Share Consolidation

If the special resolution is approved by the Shareholders and the Board decides to implement the Share Consolidation, the Company will promptly file Articles of Amendment pursuant to the CBCA to amend the Articles of the Company. The Share Consolidation will become effective on the date shown in the Certificate of Amendment issued pursuant to the CBCA.

In order to complete the Share Consolidation, regulatory approval from the TSXV will be required and temporary suspension of trading of the Common Shares may take place. If the Share Consolidation is approved, no further action on the part of the Shareholders will be required in order for the Board to implement the Share Consolidation.

Dissent Rights

Under the CBCA, Shareholders do not have dissent and appraisal rights with respect to the proposed Share Consolidation.

Special Resolution

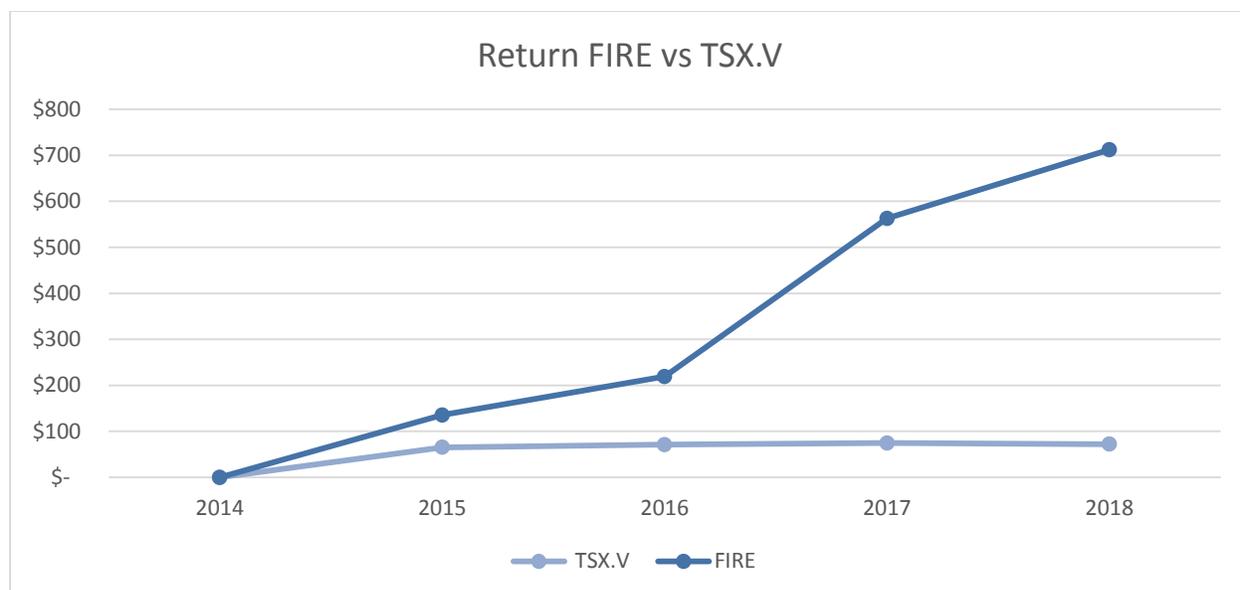
The CBCA requires that any change in the number of shares of any class of shares of a corporation into a different number of shares of the same class must be approved by a special resolution of the shareholders of that corporation, being a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution. The text of the special resolution to be voted on at the Meeting by the Shareholders is set forth on Appendix "E".

The Board believes that a Share Consolidation may be in the best interests of the Company and that it is in the best interests of the Company to obtain shareholder approval for such a Share Consolidation. Therefore, the Board unanimously recommends that Shareholders vote in favor of the special resolution.

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

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 TSXV 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 TSXV 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, 2018 (collectively, the “**Named Executive Officers**” or “**NEOs**”) and the directors of the Company. During the year ended June 30, 2018, the Named Executive Officers of the Company were John Fowler, CEO and Director as of June 30, 2018, Navdeep Dhaliwal, President and Director as of June 30, 2018, Dimitre Naoumov, CFO as of June 30, 2018, Sunpreet Gokhale, General Counsel as of June 30, 2018 and Ramana Davloor, General Manager of the Company’s wholly-owned subsidiary, 8528934 Canada Ltd. d/b/a 7ACRES (“**7ACRES**”) as of June 30, 2018.

The description of the Company’s compensation philosophy and objectives and the elements of such compensation for the year ended June 30, 2018 is set forth below.

Compensation Philosophy and Objectives in 2018

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 2018

The executive compensation program during 2018 consisted of two principal components: base compensation and long-term compensation in the form of Options. No RSUs were issued in 2018. For the year ended June 30, 2018, 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 2018 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. 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.

RSUs

The RSU Plan was adopted in 2018 in order 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. The Company did not grant any RSUs during 2018.

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 and RSUs 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 or RSU 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, 2018, 2017 and 2016.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$) ⁽⁴⁾	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$) ⁽⁵⁾	Total Compensation (\$)
					Annual Incentive Plans (\$) ⁽⁵⁾	Long-Term Incentive Plans (\$)			
John Fowler CEO ⁽¹⁾⁽⁶⁾	2018	259,589	N/A	4,149,637	N/A	N/A	N/A	N/A	4,409,226
	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
Navdeep Dhaliwal President ⁽²⁾⁽⁶⁾	2018	238,151	N/A	4,149,637	N/A	N/A	N/A	N/A	4,387,788
	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
Dimitre Naoumov CFO ⁽³⁾	2018	101,260	N/A	543,128	N/A	N/A	N/A	N/A	644,388
Sunpreet Gokhale ⁽⁷⁾ General Counsel	2018	94,795	N/A	1,754,918	N/A	N/A	N/A	N/A	1,849,713
Ramana Davloor General Manager of 7ACRES ⁽⁸⁾	2018	136,445	N/A	919,470	N/A	N/A	N/A	N/A	1,055,915

Notes:

- (1) Mr. Fowler became the President and CEO and a director of the Company on December 19, 2014. On October 9, 2017, Mr. Fowler ceased acting as President and remained as CEO of the Company. Subsequent to June 30, 2018, Mr. Fowler ceased acting as CEO and become President of the Company. Mr. Fowler's annual salary as at June 30, 2018 was \$300,000.
- (2) Mr. Dhaliwal became the CFO of the Company on April 25, 2016. On October 9, 2017, Mr. Dhaliwal ceased acting as CFO and became President of the Company. Subsequent to June 30, 2018, Mr. Dhaliwal ceased acting as President and become CEO of the Company. Mr. Dhaliwal's annual salary as at June 30, 2018 was \$300,000.
- (3) Mr. Naoumov became the CFO of the Company on October 9, 2017. Mr. Naoumov's annual salary as at June 30, 2018 was \$140,000.
- (4) 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.
- (5) Excludes amounts of benefits and other perquisites received that are worth less than \$50,000.
- (6) Mr. Fowler and Mr. Dhaliwal were not separately compensated for serving as directors of the Company.
- (7) Ms. Gokhale became the General Counsel of the Company on January 23, 2018. Ms. Gokhale's annual salary as at June 30, 2018 was \$200,000.
- (8) Mr. Davloor became the General Manager of 7ACRES on January 1, 2018. Mr. Davloor's annual salary as at June 30, 2018 was \$152,250. Prior to acting as General Manager of 7ACRES, Mr Davloor was an employee of the Company in the Quality Assurance group from August 18, 2014.

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 81% to 87%, a risk free interest rate of 1.80% to 2.31% 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, 2018.

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 (\$ ⁽⁴⁾)	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 CEO ⁽¹⁾	2,167,500	1.80	March 29, 2028	Nil	N/A	N/A	N/A
	1,000,000	1.45	September 25, 2022	150,000			
	1,000,000	0.75	August 29, 2021	850,000			
	2,300,000	2.00	December 15, 2026	Nil			
	250,000	0.41	October 14, 2019	297,500			
	200,000	0.50	January 10, 2021	220,000			
Navdeep Dhaliwal President ⁽²⁾	2,167,500	1.80	March 29, 2028	Nil	N/A	N/A	N/A
	1,000,000	1.45	September 25, 2022	150,000			
	740,858	0.75	August 29, 2021	629,729			
	2,000,000	2.00	December 15, 2026	Nil			
	300,000	0.50	January 10, 2021	330,000			
Dimitre Naoumov CFO ⁽³⁾	318,750	1.80	March 29, 2028	Nil	N/A	N/A	N/A
	75,000	1.45	September 25, 2022	11,250			
Sunpreet Gokhale ⁽⁵⁾ General Counsel	478,125	1.80	March 29, 2028	Nil	N/A	N/A	N/A
	500,000	3.05	January 5, 2023	Nil			
Ramana Davloor ⁽⁶⁾ General Manager of 7ACRES	478,125	1.80	March 29, 2028	Nil	N/A	N/A	N/A
	225,000	1.45	September 25, 2022	33,750			
	100,000	0.75	August 29, 2021	85,000			
	200,000	0.50	January 10, 2021	220,000			

Notes:

- (1) Mr. Fowler became the President, CEO and a director of the Company on December 19, 2014. On October 9, 2017, Mr. Fowler ceased acting as President and remained as CEO of the Company. Subsequent to June 30, 2018, Mr. Fowler ceased acting as CEO and become President of the Company. 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. On October 9, 2017, Mr. Dhaliwal ceased acting as CFO and became President of the Company. Subsequent to June 30, 2018, Mr. Dhaliwal ceased acting as President and become CEO of the Company. Mr. Dhaliwal is not separately compensated for serving as a director of the Company.
- (3) Mr. Naoumov became the CFO of the Company on October 9, 2017.
- (4) Based on the difference between the exercise price of the Options and the \$1.60 closing price of the Common Shares as at June 29, 2018, the last trading day before June 30, 2018.
- (5) Ms. Gokhale became the General Counsel of the Company on January 23, 2018.
- (6) Mr. Davloor became the General Manager of 7ACRES on January 1, 2018. Mr Davloor was an employee of the Company in the Quality Assurance group from August 18, 2014.

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 TSXV 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.

RSU Plan

The RSU Plan is intended 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.

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 is available for viewing at the Company's head office located at 178R Ossington Avenue, Toronto, Ontario, M6J 2Z7 (Attention: Dimitre Naoumov) during regular business hours.

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 TSXV 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 TSXV (unless permitted otherwise by the rules of the TSXV): (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 blackout 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 Common 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 TSXV, 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.

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, 2018.

Name and Principal Position	Option-Based Awards - Value Vested During Year (\$) ⁽⁴⁾	Share-Based Awards - Value Vested During Year (\$)	Non-Equity Incentive Plan Compensation
John Fowler CEO ⁽¹⁾	150,000	Nil	Nil
Navdeep Dhaliwal President ⁽²⁾	150,000	Nil	Nil
Dimitre Naoumov CFO ⁽³⁾	11,250	Nil	Nil
Sunpreet Gokhale ⁽⁵⁾ General Counsel	Nil	Nil	Nil
Ramana Davloor ⁽⁶⁾ General Manager of 7ACRES	33,750	Nil	Nil

Notes:

- (1) Mr. Fowler became the President, CEO and a director of the Company on December 19, 2014. On October 9, 2017, Mr. Fowler ceased acting as President and remained as CEO of the Company. Subsequent to June 30, 2018, Mr. Fowler ceased acting as CEO and become President of the Company.
- (2) Mr. Dhaliwal became the CFO of the Company on April 25, 2016. On October 9, 2017, Mr. Dhaliwal ceased acting as CFO and became President of the Company. Subsequent to June 30, 2018, Mr. Dhaliwal ceased acting as President and become CEO of the Company.
- (3) Mr. Naoumov became the CFO of the Company on October 9, 2017.
- (4) Based on the difference between the exercise price of the Options and the \$1.60 closing price of the Common Shares as at June 29, 2018, the last trading day before June 30, 2018.
- (5) Ms. Gokhale became the General Counsel of the Company on January 23, 2018.

(6) Mr. Davloor became the General Manager of 7ACRES on January 1, 2018. Mr. Davloor was an employee of the Company in the Quality Assurance group from August 18, 2014.

Termination and Change of Control Benefits

On November 13, 2014, and amended on March 27, 2018, 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 two times twelve (12) months of Mr. Fowler’s base salary and bonus as of the date of the change of control 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 \$300,000.

On April 25, 2016, and amended on March 27, 2018, 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 two times twelve (12) months of Mr. Dhaliwal’s base salary and bonus as of the date of the change of control. 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 \$300,000 with all of Mr. Dhaliwal’s employee benefits continuing for 60 days from the date of termination.

Effective as of October 9, 2017, the Company entered into an employment contract with Mr. Naoumov (the “**Naoumov Agreement**”). Mr. Naoumov may terminate the Naoumov Agreement on ninety (90) days’ written notice. In the event of a change of control as defined in the Naoumov Agreement, Mr. Naoumov may elect to terminate the agreement and the Company will pay a change of control termination fee of up to \$140,000. The estimated incremental payments and payables to Mr. Naoumov in the event of termination of his employment without cause (other than due to a change of control) is up to \$140,000 with all of Mr. Naoumov’s employee benefits continuing for 60 days from the date of termination.

Effective as of January 23, 2018, the Company entered into an employment contract with Ms. Gokhale (the “**Gokhale Agreement**”). Ms. Gokhale may terminate the Gokhale Agreement on ninety (90) days’ written notice. In the event of a change of control as defined in the Gokhale Agreement, Ms. Gokhale may elect to terminate the agreement and the Company will pay a change of control termination fee of two and a half times twelve (12) months of Ms. Gokhale’s base salary and bonus as of the date of the change of control. The estimated incremental payments and payables to Ms. Gokhale in the event of termination of her employment without cause (other than due to a change of control) is up to \$400,000 with all of Ms. Gokhale’s employee benefits continuing for 60 days from the date of termination.

Effective as of January 1, 2018, the Company entered into an employment contract with Mr. Davloor (the “**Davloor Agreement**”). Mr. Davloor may terminate the Davloor Agreement on ninety (90) days’ written notice. In the event of a change of control as defined in the Davloor Agreement, Mr. Davloor may elect to terminate the agreement and the Company will pay a change of control termination fee of up to \$150,000. The estimated incremental payments and payables to Mr. Davloor in the event of termination of his employment without cause (other than due to a change of control) is up to \$152,250 with all of Mr. Davloor’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, 2018. 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	36,000 ⁽²⁾	N/A	186,271	N/A	N/A	N/A	222,271
Michael La Brier	N/A	N/A	473,276	N/A	N/A	N/A	473,276
Colin Moore ⁽¹⁾	4,537 ^{(1) (2)}	N/A	326,438	N/A	N/A	N/A	330,975
Scott Walters	36,000 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	36,000

Note:

- (1) Colin Moore was appointed as director on May 15, 2018.
- (2) Mr. Walters, Mr. Factor and Mr. Moore are compensated \$3,000 each 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 81% to 87%, a risk free interest rate of 1.80% to 2.31% 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 a NEO as of June 30, 2018.

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, 2018.

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	200,000	1.45	September 25, 2022	30,000	Nil	Nil	Nil
Michael La Brier	318,750	1.80	March 29, 2028	Nil	Nil	Nil	Nil
	500,000	0.75	April 25, 2021	425,000			
	791,250	0.75	August 29, 2021	672,562			
	1,000,000	2.00	December 15, 2026	Nil			
Colin Moore ⁽¹⁾	300,000	1.80	May 15, 2018	Nil	Nil	Nil	Nil
Scott Walters	300,000	0.75	April 25, 2021	255,000	Nil	Nil	Nil
	135,000	0.75	August 29, 2021	114,750			
	800,000	2.00	December 15, 2026	Nil			

Notes:

- (1) Colin Moore was appointed as director on May 15, 2018.
- (2) Based on the difference between the exercise price of the Options and the \$1.60 closing price of the Common Shares as at June 29, 2018, the last trading day before June 30, 2018.

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, 2018.

Name	Option-Based Awards Value Vested During Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During Year (\$)	Non-Equity Incentive Plan Compensation
Ronald Factor	30,000	Nil	Nil
Michael La Brier	Nil	Nil	Nil
Colin Moore ⁽²⁾	Nil	Nil	Nil
Scott Walters	Nil	Nil	Nil

Notes:

- (1) Based on the difference between the exercise price of the Options and the \$1.60 closing price of the Common Shares as at June 29, 2018, the last trading day before June 30, 2018.
- (2) Colin Moore was appointed as director on May 15, 2018.

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, 2018.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding Options and RSUs	Weighted-average exercise price of outstanding Options and RSUs	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by Shareholders	24,107,533	\$1.54	1,466,190 ⁽¹⁾
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
Total	24,107,533	\$1.54	1,466,190 ⁽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, 2018. As at the date thereof, there were 255,737,226 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, 2018, 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, 2018. 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 178R Ossington Avenue, Toronto, Ontario, M6J 2Z7 by telephone at (416) 630-7272.

APPENDIX “A”

CORPORATE GOVERNANCE GUIDELINES

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;

Ronald Factor; and

Colin Moore

- (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.

Scott Walters 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 TSXV 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*".

The Company has established a Compensation, Nomination and Governance Committee consisting of three directors, two of whom are independent directors, which is charged with reviewing, overseeing and evaluating the Company's compensation, corporate governance and nominating policies. The Compensation, Nomination and Governance Committee is comprised of John Fowler, Ronald Factor and Colin Moore. Mr. Factor is the chair of the Compensation, Nomination and Governance Committee.

For additional details regarding the relevant education and experience of each member of the Compensation, Nomination and Governance Committee, see also "*Meeting Matters – Election of Directors*" above.

7. Other Board Committees

At present, the Audit and Finance Committee and Compensation, Nomination and Governance Committee are the only standing committees 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. 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. Colin Moore (Chairman), Navdeep Dhaliwal and Ronald Factor. Pursuant to the terms of the Company's Audit Committee Charter, Messrs. Moore 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.

Colin Moore

Mr. Moore is a Director and former Senior Vice President of Enterprise Optimization of Starbucks Corp. and former President of Starbucks Coffee Canada.

Navdeep Dhaliwal

Mr. Dhaliwal is the Chief Executive Officer of the Company and previously served as President and as Chief Financial Officer of the Company. Mr. Dhaliwal held various senior business development positions prior to joining the Company. Mr. Dhaliwal is a Chartered Professional Accountant.

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, 2018 and 2017. Fees paid to the Company's auditors for the years ended June 30, 2018 and 2017 are detailed below:

Fee	For the year ended June 30, 2018	For the year ended June 30, 2017
Audit Fees ⁽¹⁾	\$85,000	\$53,500
Audit Related Fees ⁽²⁾	\$34,500	\$16,050
Tax Fees ⁽³⁾	\$5,000 (est.)	\$5,000
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$124,500	\$74,550

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
The Supreme Cannabis Company, Inc.
(the Company)

Organization

There shall be a committee of the board of directors (the “**Board**”) of The Supreme Cannabis Company, 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 5, 2018.

APPENDIX "B"

OPTION PLAN RESOLUTION

BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the Company's Option Plan be and are 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 "C"

RSU PLAN RESOLUTION

BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the Company's RSU Plan be and are 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"

EMPLOYEE SHARE PURCHASE PLAN RESOLUTION

BE IT RESOLVED, WITH OR WITHOUT AMENDMENT, AS AN ORDINARY RESOLUTION, THAT:

1. subject to final acceptance of the Toronto Stock Exchange (the "TSX"), the Company's Employee Share Purchase Plan (the "**Purchase Plan**"), in the form as approved by the directors of the Company on November 5, 2018, is hereby approved, to become effective at a date in the future to be determined by the board of directors of the Company;
2. the directors of the Company or any committee of the board of directors of the Company are hereby authorized to administer the Purchase Plan pursuant to the terms of the Purchase Plan;
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 Purchase Plan is conditional upon listing of the Company's common shares on the TSX, receipt of final approval of the Purchase Plan by the TSX and the board of directors of the Company determining to implement the Purchase Plan, 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.

APPENDIX "E"

SHARE CONSOLIDATION RESOLUTION

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. the articles of the Company be amended to change the number of issued and outstanding Common Shares of the Company by consolidating the issued and outstanding Common Shares of the Company on the basis of 1 new Common Share for up to 5 existing Common Shares of the Company or for such other lesser whole or fractional number of existing Common Shares that the directors, in their sole discretion, determine to be appropriate (the "**Share Consolidation**"), and in the event that the Share Consolidation would otherwise result in a holder of Common Shares holding a fraction of a Common Share, such holder shall not receive any whole new Common Shares or any cash consideration for each such fraction, such amendment to become effective at a date in the future to be determined by the Board;
2. any director or officer of the Company be and is hereby authorized, for and on behalf of the Company, to execute and deliver or cause to be delivered Articles of Amendment to the Director under the *Canada Business Corporations Act* at such time as the Board determines to implement the Share Consolidation;
3. notwithstanding that this special resolution has been duly passed by the holders of the Common Shares of the Company, the directors of the Company are hereby authorized in their sole discretion to revoke this special resolution in whole or in part at any time prior to its being given effect without further notice to, or approval of, the holders of the Common Shares of the Company; and
4. any one director or officer of the Company be and the same is hereby authorized, for and on behalf of the Company to execute or cause to be executed, and to deliver or cause to be delivered all such documents and filings, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.

APPENDIX “F”

EMPLOYEE SHARE PURCHASE PLAN

(1) **Plan Description.**

This Employee Share Purchase Plan is intended to provide employees of The Supreme Cannabis Company, Inc. (the “**Company**”) and its subsidiaries with an opportunity to acquire a proprietary interest in the Company through the purchase of Common Shares. The Company, by means of this Plan, seeks to retain the services of such eligible employees, to secure and retain the services of new employees and to provide incentives for such persons to exert maximum effort for the success of the Company.

(2) **Definitions.**

“**Affiliate**” has the meaning attributed thereto in National Instrument 45-106 – *Prospectus Exemptions*;

“**Annual Compensation**” means the base salary or base hourly wages for non-overtime work paid to a Participant as compensation for services to the Company or a subsidiary of the Company, before deduction for any contributions made by the Participant to any tax-qualified or nonqualified deferred compensation plan or contributions for any health or welfare benefit programs;

“**Blackout Period**” means a period of time when, pursuant to any policies of the Company (including the Company’s insider trading policy), any securities of the Company may not be traded by certain persons designated by the Company;

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

“**Business Day**” means any day which is a trading day on the Exchange.

“**Change in Control**” shall mean:

- (i) when any person, together with any Affiliate or Associate of such person (other than the Company or its subsidiaries, or an employee benefit plan of the Company or its subsidiaries, including any trustee of such plan acting as trustee) hereafter acquires, the direct or indirect “beneficial ownership”, as defined by the Canada Business Corporations Act (the “CBCA”), of securities of the Company representing fifty (50%) percent or more of the combined voting power of the Company’s then outstanding securities; or
- (ii) the occurrence of a transaction requiring approval of the Company’s shareholders involving the acquisition of the Company or all or substantially all of its business by an entity through purchase of assets by amalgamation, arrangement or otherwise;

“**Commitment Date**” means, with respect to any given Participant, the first Business Day of each Offering Period or in the event of a Blackout Period pursuant to Section 5(b) hereof, the tenth Business Day following the end of the Blackout Period, or such other Business Day in an Offering Period approved by the Committee.

“**Committee**” means the compensation, nomination and governance committee appointed by the Board of Directors to administer the Plan. All references in the Plan to the Committee means the Board of Directors if no Committee has been appointed.

“**Common Shares**” means common shares in the capital of the Company.

“**Director**” means a person occupying the position of director on the Board of Directors and who is not an Employee.

“**Eligible Person**” means an Employee who is eligible to participate in the Plan pursuant to Section 4.

“**Employee**” means a full time permanent employee of the Company or any of its subsidiaries.

“**Exchange**” means the Toronto Stock Exchange.

“**Fair Market Value**” per Common Share at any date shall be the volume weighted average sale price of Common Shares on the Exchange on the five trading days immediately preceding the Purchase Date or the Commitment Date, as the case may be.

“**Insider**” means:

- (i) an insider of the Company and an Affiliate, as defined by the Securities Act (Ontario) as amended from time to time; and
- (ii) an Associate or Affiliate of any person who is an Insider by virtue of clause (i) of this definition.

“**Leave of Absence**” has the meaning ascribed thereto in Section 8 hereof.

“**Lump Sum Payment**” has the meaning ascribed thereto in Section 5(c) hereof.

“**Offering Period**” means one of the six-month periods commencing in each year either on the third Business Day after the first public announcement of the Company’s first quarter financial results or on the third Business Day after the first public announcement of the Company’s third quarter financial results.

“**Participant**” means an Eligible Person who is participating in the Plan pursuant to Section 5.

“**Payroll Deduction**” has the meaning ascribed thereto in Section 5(b) hereof.

“**Plan**” means this Employee Share Purchase Plan.

“**Plan Account**” means, for each Participant, an account maintained by the Company or its designated record keeper to which such Participant’s payroll deductions are credited and against which funds used to purchase Common Shares are charged and to which Common Shares purchased are credited.

“**Purchase Date**” means the first Business Day which is six months following the first Business Day of each Offering Period in respect of any Offering Period.

“Purchase Price” means 80% of the Fair Market Value of the Common Shares on the Purchase Date for that Offering Period.

- (3) **Shares Subject to the Plan.** Subject to Section 13, the aggregate number of Common Shares which may be sold under the Plan is 2,500,000. The maximum number of Common Shares which may be issued under the Plan in any one fiscal year shall not exceed 1,000,000. No fractional shares may be purchased or issued hereunder. The following restrictions shall also apply to this Plan as well as all other plans or stock option agreements to which the Company may be a party:
- (i) the aggregate number of Common Shares issuable to Insiders, at any time, under all of the Company’s security based compensation arrangements, cannot exceed 10% of the issued and outstanding Common Shares of the Company; and
 - (ii) Insiders shall not be issued, under this Plan and all of the Company’s other security based compensation arrangements, within any one-year period, a number of Common Shares which exceeds 10% of the issued and outstanding Common Shares of the Company.
- (4) **Eligible Persons.** Each Employee (an **“Eligible Person”**) who has provided services to the Company or any of its subsidiaries for at least three months and who is continuing to provide such services may participate in the Plan. The Committee may exclude all, but not less than all, of the Employees of any subsidiary of the Company located outside of Canada where participation by such Employees would be impractical.
- (5) **Offering Periods and Participation in the Plan.**
- (a) Common Shares shall be offered for purchase under the Plan through a series of successive Offering Periods until such time as: (i) the maximum number of Common Shares available for purchase under the Plan shall have been purchased; or (ii) the Plan shall have been terminated in accordance with the terms hereof.
 - (b) An Eligible Person who is an Employee may participate in the Plan by completing and filing with the Company or its designated record keeper prior to the tenth day of an Offering Period a subscription agreement and an election form which authorizes payroll deductions (the **“Payroll Deductions”**) from such Employee’s pay for the purposes of acquiring Common Shares, provided that if a Blackout Period is in effect, (i) an Eligible Person subject to the Blackout Period may not enroll until after the end of the Blackout Period, and (ii) an Eligible Person subject to the Blackout Period may not make changes to his or her Payroll Deductions until after the end of the Blackout Period. Such Payroll Deductions shall continue until such Employee terminates participation in the Plan or the Plan is terminated prior to such time. Unless otherwise specified in an election form or a new election form is filed pursuant to Section 7 of the Plan or participation in the Plan is terminated pursuant to Section 8 of the Plan, Employees who have filed a completed subscription agreement and election form shall be deemed to participate in the Plan in subsequent Offering Periods.
 - (c) Notwithstanding the foregoing, an Eligible Person shall not be entitled to purchase Common Shares under this Plan on any Commitment Date if the purchase would not comply with the restrictions respecting the issuance/sale of Common Shares set forth in Section 3.

- (d) If the aggregate number of Common Shares subscribed for pursuant to the Plan exceeds the total number of Common Shares permitted to be issued under the Plan or the maximum number of Common Shares permitted to be issued under the Plan in respect of a fiscal year, the Common Shares available will be allocated by the Company on a pro rata basis in proportion to each Participant's balance in his or her Plan Account, and a cash payment for the balance remaining will be refunded to the Participant on the Purchase Date, such calculation and allotment by the Company to be final and binding on all Participants.
- (6) **Limits on Payroll Deductions.** Payroll Deductions shall be made from the amounts paid to each Participant for each payroll period in such amounts as such Participant shall authorize in such Participant's election form. The maximum Payroll Deduction for each Participant in any fiscal year shall be the lesser of (i) 10% of the Participant's Annual Compensation and (ii) \$10,000. If a Participant's Annual Compensation is insufficient in any pay period to allow the entire Payroll Deduction elected under the Plan, no deduction shall be made for such pay period. Payroll Deductions will resume with the next regularly scheduled payroll period in which the Participant has pay sufficient to permit the Payroll Deduction. Payroll Deductions under the Plan shall be made in any period only after all other withholdings, deductions, garnishments and the like have been made.
- (7) **Changes in Payroll Deductions.** Subject to the maximum deductions set forth above in Section 6, a Participant may change the amount of such Participant's Payroll Deductions by filing a new election form with the Company or its designated record keeper during the first ten days of an Offering Period, which change shall be effective for such Offering Period.
- (8) **Termination of Participation in Plan.** A Participant's participation in the Plan shall be terminated upon the termination of such Employee's employment with the Company for any reason and such Participant shall cease to be an Eligible Person at such time. In the event that a Participant's participation in the Plan is voluntarily or involuntarily terminated, Payroll Deductions under the Plan shall cease and any payments credited to such Participant's Plan Account prior to such time shall be returned to the Participant. For purposes of this Section 8, the date of termination of an Employee's employment shall be the date designated in writing by the Company (or by its subsidiary, as the case may be) as the effective date of termination, notwithstanding any period of notice or reasonable notice that the Company (or subsidiary, as the case may be) may be required by contract or at law to provide to the Participant in connection with such termination. For greater clarity, a temporary leave of absence (whether with or without pay) of a Participant from his or her employment with the Company (a "Leave of Absence") shall not be treated as terminating such Participant's participation in any Offering Period, provided, however, that in the event of any Leave of Absence of a Participant without pay, such Participant's Payroll Deductions under the Plan, if any, shall be suspended for the duration of such Leave of Absence, provided further, however, that any such suspension of Payroll Deductions shall not be deemed to be a change made pursuant to Sections 7 or 8 hereof for the determination of the amount of the Purchase Price related to any Common Shares to be purchased in an Offering Period.
- (9) **Purchase of Shares.**
- (a) On each Purchase Date, the Company shall apply the funds credited to each Participant's Plan Account to the purchase (without commissions or fees) of that number of whole Common Shares determined by dividing the Purchase Price into the balance in the Participant's Plan Account on the Purchase Date. However, the Company may (i) reduce

the number of Common Shares issued under this provision, or (ii) deduct cash from the Participant's Plan Account in an amount required to satisfy the Company's withholding obligations. Any amount remaining shall be carried forward to the next Purchase Date unless the Plan Account is closed.

- (b) As soon as practicable after each Purchase Date, a statement shall be delivered to each Participant which shall include the number of Common Shares purchased on the Purchase Date on behalf of such Participant under the Plan.
 - (c) When requested, a stock certificate for whole Common Shares in a Participant's Plan Account purchased pursuant to the Plan shall be issued in such Participant's name or in the name of such Participant and another person as joint tenants with rights of survivorship or as tenants in common. When a Participant ceases to be an Eligible Person pursuant to the provisions of Section 8 hereof, a share certificate for whole Common Shares in such Participant's Plan Account shall be issued in the name of such Participant or in the name of such Participant and the name of another person as joint tenants with right of survivorship or as tenants in common on the Purchase Date. A cash payment shall be made for any fraction of a Common Share in such account, if necessary to close the account.
- (10) **Rights as a Shareholder.** As of the Purchase Date, a Participant shall be treated as record owner of his/her Common Shares purchased pursuant to the Plan.
 - (11) **Rights Not Transferable.** Rights under the Plan are not transferrable by a Participant other than by will or the laws of succession, and are exercisable during the Participant's lifetime only by the Participant or by the Participant's guardian or legal representative. No rights or payroll deductions of a Participant shall be subject to execution, attachment, levy, garnishment or similar process.
 - (12) **Application of Funds.** All funds of Participant's received or held by the Company under the Plan before purchase of the Common Shares shall be held by the Company without liability for interest or other increment.
 - (13) **Adjustments in Case of Changes Affecting Common Shares.** In the event of a subdivision or consolidation of outstanding Common Shares of the Company, or the payment of a stock dividend, the number of Common Shares approved for the Plan shall be increased or decreased proportionately, and such other adjustment shall be made as may be deemed equitable by the Committee. In the event of any other change affecting the Common Shares, such adjustment shall be made as shall be deemed equitable by the Committee to give proper effect to such event. If the Committee determines that such change will constitute a change requiring shareholder approval, it may refrain from making such adjustments. The Committee or the Board of Directors shall determine the adjustments to be made under this Section 13, and its determination shall be conclusive.
 - (14) **Administration of the Plan.** The Plan shall be administered by the Committee. The Committee shall have the authority to construe and interpret the provisions of the Plan and make rules and regulations for the administration of the Plan, and its interpretations and decisions with regard to the Plan and such rules and regulations shall be final and conclusive on all persons affected thereby unless otherwise determined by the Board of Directors. The day-to-day administration of the Plan may be delegated to such officers and employees of the Company or its subsidiaries as the Committee shall determine.

(15) **Amendments to the Plan.**

- (a) Subject to the rules and policies of any stock exchange on which the Common Shares are listed and applicable law, the Board of Directors may, without notice or shareholder approval, at any time or from time to time, amend the Plan for the purposes of:
 - (i) making any amendments to the provisions set out in Section 8 of the Plan;
 - (ii) making any amendments to add covenants of the Company for the protection of Participants, provided that the Board of Directors shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants;
 - (iii) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions, which in the good faith opinion of the Board of Directors, having in mind the best interests of the Participants, it may be expedient to make, provided that the Board of Directors shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants; or
 - (iv) making any such changes or corrections which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Board of Directors shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

- (b) Notwithstanding any other provision of this Plan, none of the following amendments shall be made to this Plan without approval of the Exchange (to the extent the Company has any securities listed on such exchange) and the approval of shareholders:
 - (i) amendments to the Plan which would increase the number of Common Shares issuable under the Plan, otherwise than in accordance with Section 13 of this Plan;
 - (ii) amendments to the Plan which would increase the number of Common Shares issuable to Insiders under the Plan, otherwise than in accordance with Section 13 of this Plan;
 - (iii) amendments to the Plan which would increase the number of Common Shares issuable to Directors under the Plan, otherwise than in accordance with Section 14 of this Plan;
 - (iv) amendments that would reduce the Purchase Price payable by Insiders;
 - (v) amendments to the Plan that would result in an extension of the term, under a security based compensation arrangement benefiting an insider of the issuer;
 - (vi) amendments that would increase the percentage discounts set forth in the definition of Purchase Price;

- (vii) increase the maximum percentage of the Annual Compensation that any Participant may direct be contributed, pursuant to the Plan, towards the purchase of Common Shares on his or her behalf through Payroll Deductions;
 - (viii) the addition of any form of financial assistance to a Participant;
 - (ix) the adoption of an employer matching contribution; and
 - (x) any amendment to the Plan that would result in an amendment to an amending provision within the Plan
- (c) Subject to Sections 18 and 24, the Board of Directors shall not alter or impair any rights or increase any obligation with respect to previously agreed upon terms under the Plan without the consent of the Participant.
- (16) **Termination of the Plan.** The Plan shall terminate upon the earlier of (a) the termination of the Plan by the Board of Directors of the Company as specified below, or (b) the date no more Common Shares remain to be purchased under the Plan. The Board of Directors of the Company may terminate the Plan as of any date, and the date of termination shall be deemed a Purchase Date. If on such Purchase Date Participants in the aggregate have options to purchase more Common Shares than are available for purchase under the Plan, each Participant shall be eligible to purchase a reduced number of Common Shares on a pro rata basis, and any excess Payroll Deductions shall be returned to Participants, all as provided by rules and regulations adopted by the Committee.
- (17) **Costs.** All costs and expenses incurred in administering the Plan shall be paid by the Company.
- (18) **Governmental Regulations.** The Company's obligation to sell and deliver its Common Shares pursuant to the Plan is subject to:
- (a) the satisfaction of all requirements under applicable securities law in respect thereof and obtaining all regulatory approvals as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof, including shareholder approval, if required;
 - (b) the admission of such Common Shares to listing on any stock exchange on which Common Shares may then be listed; and
 - (c) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities law of any jurisdiction.
- In this connection, the Company shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares in compliance with applicable securities law and for the listing of such Common Shares on any stock exchange on which such Common Shares are then listed.
- (19) **Applicable Law.** The Plan is established under the laws of the Province of Ontario and the rights of all parties and the construction and effect of each provision of the Plan shall be according to the laws of the Province of Ontario and the laws of Canada applicable therein.

- (20) **Effect on Employment.** The provisions of this Plan shall not affect the right of the Company or any subsidiary or any Participant to terminate the Participant's employment with the Company or any subsidiary.
- (21) **Withholding.** The Company reserves the right to withhold from stock or cash distributed to a Participant any amounts which it is required by law to withhold. Notwithstanding any other provision of this Plan, the Company shall not be required to issue any Common Shares to a Participant until the Company is satisfied that all applicable withholding and payroll taxes have been satisfied.
- (22) **Change in Control.** In the event of a proposed or actual Change in Control, the Company shall require that each outstanding right hereunder be assumed or an equivalent right be substituted by the successor or purchaser corporation, unless the Plan is terminated.
- (23) **Approvals.** The Plan shall be subject to acceptance by the Exchange in compliance with all conditions imposed by the Exchange. Any rights to purchase Common Shares granted prior to such acceptance shall be conditional upon such acceptance being given and any conditions complied with and no such right may be exercised unless such acceptance is given and such conditions are complied with.
- (24) **Corporate Action.** Nothing contained in the Plan shall be construed so as to prevent the Company or any subsidiary of the Company from taking corporate action which is deemed by the Company or any subsidiary of the Company to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan.
- (25) **Limitation on Sale of Common Shares Purchased Under the Plan.** The Plan is intended to provide Common Shares for investment and not for resale. The Company does not, however, intend to restrict or influence any Participant with respect to any dealings with Common Shares save and except as provided in Section 18(c). A Participant may, therefore, sell Common Shares purchased under the Plan provided he/she complies with all applicable securities laws. Participants assume the risk of any market fluctuations in the price of the Common Shares.
- (26) **Notices.** All written notices to be given by Participants to the Company may be delivered personally or by registered mail, postage prepaid, addressed as follows:

The Supreme Cannabis Company, Inc.
178R Ossington Avenue
Toronto, ON M6J 2Z7

Attention: Chief Financial Officer

Any notice given by the Participant pursuant to the terms hereof shall not be effective until actually received by the Company at the above address. Any notice to be given to the Participant shall be sufficiently given if delivered personally or by postage prepaid mail to the last address of the Participant on the records of the Company or the applicable subsidiary and shall be effective seven days after mailing.

- (27) **Shareholder Approval.** The Plan shall become effective on the date it is adopted by the Board of Directors of the Company, provided that the shareholders of the Company approve it within 12 months after such date and then reapprove every five (5) years.