NOTE TO READER

Apogee Opportunities Inc. (the "**Company**") filed its Management Information Circular in English (the "**Document**") on August 16, 2018 under SEDAR project number 02808065. It has come to the Company's attention that Schedules "K", "L", "M" and "N" of the Document were inadvertently omitted from the filing but not from the printed version mailed to shareholders of the Company. Attached please find the corrected version of the Document, attaching the omitted Schedules "K", "L", "M" and "N". We confirm that no other changes were made to the Document.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS AND

MANAGEMENT INFORMATION CIRCULAR

CONCERNING A PROPOSED BUSINESS COMBINATION INVOLVING

APOGEE OPPORTUNITIES INC.,

APOGEE OPPORTUNITIES (USA) INC.

AND

ANM, INC. (doing business as "Halo Labs")

August 8, 2018

The resulting issuer from the proposed business combination will control an entity that is expected to continue to derive a substantial portion of its revenues from the cannabis industry in certain states of the United States, which industry is illegal under United States federal law. The resulting issuer will be indirectly involved (through subsidiaries) in the cannabis industry in the United States where local state laws permit such activities. Currently, ANM, Inc. is directly engaged in the manufacture, possession, use, sale or distribution of cannabis in the recreational and/or medicinal cannabis marketplace in the states of Oregon, California and Nevada. See "*Schedule "C" – Information Concerning Halo – Risk Factors*" for additional information on this risk.

No securities regulatory authority has in any way passed upon the merits of the transactions described in this management information circular.

August 8, 2018

Dear Apogee Common Shareholder,

The directors of Apogee Opportunities Inc. ("**Apogee**") cordially invite you to attend the annual and special meeting (the "**Meeting**") of the shareholders of Apogee (the "**Apogee Shareholders**") to be held at Suite 800, Wildeboer Dellelce Place, 365 Bay Street, Toronto, Ontario M5H 2V1 on September 12, 2018 at 10:00 a.m. (Toronto time) in connection with, among other things, a proposed business combination (the "**Business Combination**") between a wholly-owned subsidiary of Apogee and ANM, Inc. ("**Halo**"). On completion of the Business Combination, Apogee will indirectly be in the business currently conducted by Halo, being the cultivation, production and wholesale distribution of cannabis in certain states of the United States.

Following completion of the Business Combination, and on a non-diluted basis, current Halo securityholders are expected to own approximately 51.8% of the equity of Apogee, current Apogee Shareholders are expected to own approximately 5.7% of the equity of Apogee and former holders of Subscription Receipts, Special Units and Halo Pre-RTO Notes (as defined in the accompanying management information circular) are expected to own the balance of approximately 42.2% of the equity of Apogee.

A description of the Business Combination is set out in the accompanying management information circular ("**Circular**").

Apogee Shareholders are being asked to approve the Business Combination, in addition to a number of matters related to the Business Combination. At the Meeting, you will be asked to consider and, if deemed appropriate, to pass, with or without variation:

(i) an ordinary resolution to set the number of directors of Apogee at three (the "**Board Resolution**");

(ii) the election of directors of Apogee (the "**Apogee Director Election Resolution**");

(iii) the appointment of the Apogee auditor and to authorize the directors to fix their remuneration (the "**Apogee Auditor Resolution**");

(iv) an ordinary resolution to re-approve the Apogee stock option plan (the "**Option Plan Resolution**") in accordance with the policies of the NEO Exchange (as defined in the Circular);

(v) an ordinary resolution, the full text of which is set forth in Schedule "E" to the Circular, to approve the Business Combination whereby, among other things, Apogee will acquire all of the issued and outstanding common shares in the capital of Halo not already beneficially owned, directly or indirectly, by Apogee (the "**Business Combination Resolution**");

(vi) a special resolution, the full text of which is set forth in Schedule "H" to the Circular, authorizing and approving the filing of articles of amendment ("**Articles of Amendment**") to amend Apogee's articles of incorporation to: (i) change the name of Apogee to "Halo Labs Inc." (the "**Name Change**"), or such other name as the board of directors of Apogee may determine, and (ii) remove from the articles the existing preferred shares of Apogee, none of which are outstanding, and create a new class of convertible preferred shares, as more particularly described in the Circular (the "**Share Reorganization**"), which will be implemented only if all conditions precedent to the Business Combination have been satisfied or waived (collectively, the "**Amendment Resolution**");

(vii) a special resolution to be conditional on and effective following the closing of the Business Combination, the full text of which is set forth in Schedule "J" to the Circular, empowering the directors to determine, from time to time, by resolution of the directors, the number of directors

of the Resulting Issuer (as defined in the Circular) (the "**Resulting Issuer Board Resolution**");

(viii) an ordinary resolution to be conditional on and effective following the closing of the Business Combination to elect G. Scott Paterson, Kiran Sidhu, Fred Leigh, Andreas Met, Peter McRae and Philip van den Berg as directors of the Resulting Issuer, to take effect only in the event the Business Combination is completed (the "**Resulting Issuer Director Election Resolution**"); and

(ix) an ordinary resolution to authorize and approve the adoption of a new equity incentive plan of the Resulting Issuer (the "**Equity Incentive Plan Resolution**"), to be implemented only in the event the Business Combination is completed.

The foregoing resolutions are referred to herein as the "**Apogee Resolutions**".

Each of the Apogee Resolutions (except for the Amendment Resolution and the Resulting Issuer Board Resolution) require the affirmative vote of not less than a majority of the votes cast by Apogee Shareholders present in person or represented by proxy and entitled to vote at the Meeting. The Amendment Resolution and the Resulting Issuer Board Resolution require the affirmative vote of not less than two-thirds (2/3) of the votes cast by Apogee Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

The full text of the Business Combination Resolution, the Equity Incentive Plan Resolution, the Articles of Amendment Resolution and the Resulting Issuer Board Resolution are set out as Schedules "E", "F", "H" and "J" to the Circular, respectively.

THE BOARD OF DIRECTORS OF APOGEE UNANIMOUSLY RECOMMENDS THAT APOGEE SHAREHOLDERS VOTE IN FAVOUR OF THE APOGEE RESOLUTIONS AT THE MEETING FOR THE REASONS SET FORTH IN THE CIRCULAR.

We hope you will be able to attend the Meeting. Whether or not you are able to attend, it is important that you be represented at the Meeting. We encourage you to complete the enclosed form of proxy and return it, by the time specified in the notice of the Meeting and the Circular, to Odyssey Trust Company in one of the available ways specified on the form of proxy. Voting by proxy will not prevent a registered shareholder from voting in person if they attend the Meeting, but will ensure that your vote will be counted if you are unable to attend.

If you are a non-registered holder of Apogee common shares and have received this letter and the Circular from your broker or another intermediary, please complete and return the form of proxy or other authorization form provided to you by your broker or other intermediary in accordance with the instructions provided with it. Failure to do so may result in your Apogee common shares not being eligible to be voted at the Meeting.

Sincerely,

(signed) "*G. Scott Paterson*"

G. Scott Paterson
Chairman of the Board

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF APOGEE OPPORTUNITIES INC.

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "**Meeting**") of the shareholders (the "**Apogee Shareholders**") of Apogee Opportunities Inc. ("**Apogee**") will be held at Suite 800, Wildeboer Dellelce Place, 365 Bay Street, Toronto, Ontario M5H 2V1 on September 12, 2018 at 10:00 a.m. (Toronto time) for the following purposes, as more particularly described in the enclosed management information circular (the "**Circular**"):

1. to receive and consider the audited financial statements of Apogee as at and for the year ended June 30, 2018, together with the report of the auditors thereon;
2. to set the number of directors of Apogee at three (the "**Board Resolution**");
3. to elect directors of Apogee (the "**Apogee Director Election Resolution**");
4. to appoint the UHY McGovern Hurley LLP as auditor of Apogee and of the Resulting Issuer in the event that the Business Combination is completed, and to authorize the directors to fix their remuneration (the "**Apogee Auditor Resolution**");
5. to consider and, if thought advisable, approve with or without variation, an ordinary resolution to re-approve the Apogee Option Plan (the "**Option Plan Resolution**");
6. an ordinary resolution, the full text of which is set forth in Schedule "E" to the Circular, to approve a the Business Combination whereby, among other things, Apogee will acquire all of the issued and outstanding Halo Common Shares not already beneficially owned, directly or indirectly, by Apogee (the "**Business Combination Resolution**");
7. a special resolution, the full text of which is set forth in Schedule "H" to the Circular, authorizing and approving the filing of articles of amendment ("**Articles of Amendment**") to amend Apogee's articles of incorporation to: (i) change the name of Apogee to "Halo Labs Inc." (the "**Name Change**"), or such other name as the board of directors of Apogee may determine, and (ii) remove from the articles the existing preferred shares of Apogee, none of which are outstanding, and create a new class of convertible preferred shares, as more particularly described in the Circular (the "**Share Reorganization**"), which will be implemented only if all conditions precedent to the Business Combination have been satisfied or waived (collectively, the "**Amendment Resolution**");
8. to consider and, if thought advisable, approve with or without variation, a special resolution to be conditional on and effective following the closing of the Business Combination, the full text of which is set forth in Schedule "J" to the Circular, empowering the directors to determine, from time to time, by resolution of the directors, the number of directors of the Resulting Issuer (the "**Resulting Issuer Board Resolution**");
9. to elect, conditional on and effective following the closing of the Business Combination, G. Scott Paterson, Kiran Sidhu, Fred Leigh, Andreas Met, Peter McRae and Philip van den Berg as directors of the Resulting Issuer, to take effect only in the event that the Business Combination is completed (the "**Resulting Issuer Director Election Resolution**");
10. to consider and, if thought advisable, approve with or without variation, an ordinary resolution, the full text of which is set forth in Schedule "F" to the Circular, to authorize and approve the adoption of a new equity incentive plan of the Resulting Issuer (the "**Equity Incentive Plan Resolution**"), to be implemented only in the event that the Business Combination is completed; and
11. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

In respect of capitalized terms used but not defined herein, see the "*Glossary*" in the Circular. The Business Combination will be completed pursuant to the Definitive Agreement dated as of August 8, 2018, as

amended from time to time, between Apogee, Apogee Opportunities (USA) Inc. and Halo. A copy of the Definitive Agreement will be available under Apogee's profile on SEDAR at www.sedar.com. A description of the Business Combination and the matters to be dealt with at the Meeting is included in the Circular.

Only Apogee Shareholders of record at the close of business on August 8, 2018 are entitled to receive notice of the Meeting and any adjournment or postponement thereof.

Apogee Shareholders who are unable to be present in person at the Meeting are requested to complete and return, in one of the manners available for that purpose, the enclosed form of proxy. In order to be voted, proxies must be received by Odyssey Trust Company by no later than 10:00 a.m. (Toronto time) on September 10, 2018 or, in the case of any adjournment or postponement of the Meeting, by no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the adjourned or postponed Meeting.

DATED at Toronto, Ontario, this 8th day of August, 2018.

BY ORDER OF THE BOARD

(signed) "*G. Scott Paterson*"

G. Scott Paterson
Chairman of the Board

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MANAGEMENT INFORMATION CIRCULAR

The Resulting Issuer from the proposed Business Combination will control an entity that is expected to derive a substantial portion of its revenues from the cannabis industry in certain states of the United States, which industry is illegal under United States federal law. The Resulting Issuer will be indirectly involved (through subsidiaries) in the cannabis industry in the United States where local state laws permit such activities. Currently, ANM, Inc. is directly engaged in the manufacture, possession, use, sale or distribution of cannabis in the recreational and medicinal cannabis marketplace in the States of Oregon, California and Nevada. See "*Schedule "C" – Information Concerning Halo – Risk Factors*" below for additional information on this risk.

Information Contained in this Circular

This Circular is delivered in connection with the solicitation of proxies by and on behalf of management of Apogee for use at the Meeting, and any adjournment or postponement thereof. No person is authorized to give any information or make any representation not contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized or as being accurate.

Unless otherwise noted or the context otherwise indicates, references herein to "**Apogee**" or the "**Company**" refer to Apogee Opportunities Inc. and its subsidiaries as constituted on the date of this Circular. References herein to "**Halo**" refer to ANM, Inc. and its subsidiaries as constituted on the date of this Circular. References herein to the "**Resulting Issuer**" refer to Apogee after completion of the Business Combination, which will include Halo and its subsidiaries.

Information contained in this Circular (including the Schedules attached hereto) with respect to Halo and the Resulting Issuer, including without limitation, information concerning its subsidiaries and assets and tax matters, has been provided by management of Halo. Management of Apogee has relied upon Halo for the accuracy of such information without independent verification. Although Apogee has no knowledge that would indicate that any of the information provided by Halo is untrue or incomplete, neither Apogee nor any of its officers and directors assumes any responsibility for the accuracy or completeness of such information or any failure by Halo to disclose facts or events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to Apogee.

All summaries of and references to the Definitive Agreement in this Circular are qualified in their entirety by the complete text thereof. The Definitive Agreement will be available under Apogee's profile on SEDAR at www.sedar.com.

Information in this Circular is given as at August 8, 2018 unless otherwise indicated. Neither delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Circular.

This Circular does not constitute an offer to sell or a solicitation of an offer to purchase any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or proxy.

Apogee Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own legal, tax, financial or other professional advisors in considering the relevant legal, tax, financial or other matters contained in this Circular.

Defined Terms

This Circular contains defined terms. For a list of defined terms used herein, see the section "*Glossary*" in this Circular.

Cautionary Note Regarding Forward-Looking Information

This Circular includes "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities laws and United States securities laws. All information, other than statements of historical facts, included in this Circular that address activities, events or developments that Apogee or Halo expect or anticipate will or may occur in the future is forward-looking information. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes, among others, information regarding: expectations regarding whether the Business Combination will be completed, including whether conditions, including shareholder and regulatory approvals to the Business Combination and shareholder approval of the resolutions referred to herein will be satisfied or obtained, or the timing for completing the Business Combination; expectations for the effects of the Business Combination, the potential benefits of the Business Combination; statements relating to the business and future activities of, and developments related to, Apogee and Halo after the date of this Circular, including such things as future business strategy, competitive strengths, goals, expansion and growth of Halo's business, operations and plans, including new revenue streams, any potential future legalization of adult-use and/or medical cannabis under U.S. federal law; expectations of market size and growth in the United States and the states in which Halo operates; expectations for other economic, business, regulatory and/or competitive factors related to Apogee and Halo or the cannabis industry generally; and other events or conditions that may occur in the future.

Apogee Shareholders are cautioned that forward-looking information and statements are not based on historical facts but instead are based on reasonable assumptions and estimates of management of Apogee and Halo, respectively, at the time they were provided or made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Apogee, Halo or the Resulting Issuer, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements. Such factors include, among others, risks relating to the ability to complete the Business Combination; the ability to obtain requisite shareholder and regulatory approvals and the satisfaction of other conditions to the Business Combination on the proposed terms and schedule; risks relating to U.S. regulatory landscape and enforcement related to cannabis, including political risks; risks relating to anti-money laundering laws and regulation; other governmental and environmental regulation; public opinion and perception of the cannabis industry; risks related to contracts with third party service providers; risks related to the enforceability of contracts; the limited operating history of Halo; reliance on the expertise and judgment of senior management of Halo and the Resulting Issuer; risks inherent in an agricultural business; risks related to co-investment with parties with different interests to Halo or the Resulting Issuer; risks related to proprietary intellectual property and potential infringement by third parties; risks relating to financing activities including leverage; risks relating to the management of growth; increased costs associated with the Resulting Issuer becoming a publicly traded company; increasing competition in the industry; risks relating to energy costs; risks associated to cannabis products manufactured for human consumption including potential product recalls; reliance on key inputs, suppliers and skilled labour; cybersecurity risks; ability and constraints on marketing products; fraudulent activity by employees, contractors and consultants; tax and insurance related risks; risks related to the economy generally; risk of litigation; conflicts of interest; risks relating to certain remedies being limited and the difficulty of enforcement of judgments and effecting service outside of Canada; risks related to future acquisitions or dispositions; sales by existing shareholders; the limited market for securities of the Resulting Issuer; limited research and data relating to cannabis; as well as those risk factors discussed in "*Risk Factors Relating to the Business Combination*" below, and the risk factors discussed in the Schedules attached hereto including "*Schedule "C" – Information Concerning Halo – Risk Factors*" and "*Schedule "D" – Information Concerning the Resulting Issuer – Risk Factors*". Although Apogee has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information and statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such information and statements. Accordingly, readers should not place undue reliance on forward-looking information and statements. Forward-looking information and statements are provided and made as of the date of this Circular and Apogee and Halo do not undertake any obligation to revise or update any forward-looking information or statements other than as required by applicable law.

Notice to United States Shareholders

Apogee is a "foreign private issuer", within the meaning of Rule 3b-4 under the U.S. Exchange Act**,** and this solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, such solicitation is made in the United States in accordance with Canadian corporate and securities laws and this Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Apogee Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act. The Resulting Issuer Common Shares will not be listed for trading on any United States stock exchange.

The financial statements and information included or incorporated by reference in this Circular have been prepared in accordance with International Financial Reporting Standards and issued by the International Accounting Standards Board and are subject to Canadian auditing and auditor independence standards and thus may not be comparable to financial statements prepared in accordance with United States generally accepted accounting principles and auditor independence standards.

THE SECURITIES OF APOGEE THAT MAY BE ISSUED AS A RESULT OF THE BUSINESS COMBINATION HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER SECURITIES REGULATORY AUTHORITY NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER SECURITIES REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Currency Presentation

Unless otherwise indicated, all references to "$" or "CAD$" in this Circular refer to Canadian dollars and all references to "US$" in this Circular refer to United States dollars.

GLOSSARY

Unless the context otherwise requires or where otherwise provided, the following words and terms shall have the meanings set forth below when used in this Circular, including the Schedules hereto.

"**2013 Cole Memorandum**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – United States Industry Background and Trends – State Status of Legalization – United States Federal Overview".*

"**2014 Cole Memorandum**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Risk Factors – Anti-Money Laundering Laws, Banking Regulations and Bankruptcy Protection*".

"**Accelerated Expiry Date**" has the meaning ascribed thereto under "*The Financing*".

"**Acceleration Notice**" has the meaning ascribed thereto under "*The Financing*".

"**Additional Warrant**" has the meaning ascribed thereto under "*The Halo Oregon Offering".*

"**Agents**" means Canaccord Genuity Inc., Gravitas Securities Inc. and Clarus Securities Inc., as agents in connection with the Brokered Offering.

"**Agents' Commission**" has the meaning ascribed thereto under "*The Financing*".

"**Agents' Compensation Options**" means options of Apogee exercisable into one Apogee Unit at a price of CAD$0.40 per Apogee Unit until December 31, 2020.

"**Agency Agreement**" means the agency agreement dated June 29, 2018 among Apogee, Apogee USA, Halo and the Agents in connection with the Brokered Offering.

"**Alternative Transaction Offer**" has the meaning ascribed thereto under "*Definitive Agreement – Alternative Offer*".

"**Amendment Resolution**" has the meaning ascribed thereto in the Apogee Notice of Meeting, as further described under "*Particulars of Matters to be Acted Upon at the Meeting*".

"**Apogee**" means Apogee Opportunities Inc., a corporation existing under the OBCA.

"**Apogee Audit Committee**" means the audit committee of Apogee.

"**Apogee Auditor Resolution**" has the meaning ascribed thereto in the Apogee Notice of Meeting, as further described under "*Particulars of Matters to be Acted Upon at the Meeting*".

"**Apogee Common Share**" means a common share in the capital of Apogee.

"**Apogee Director Election Resolution**" has the meaning ascribed thereto in the Apogee Notice of Meeting, as further described under "*Particulars of Matters to be Acted Upon at the Meeting*".

"**Apogee Mergeco**" means the surviving entity upon the merger of Apogee USA and Halo, which will exist under the ORBCA and be a wholly-owned subsidiary of the Resulting Issuer.

"**Apogee Nominees**" has the meaning ascribed thereto under "*Particulars of Matters to be Acted Upon at the Meeting – The Board Election Resolution: Election of Directors Prior to the Business Combination*".

"**Apogee Notice of Meeting**" means the notice of the Meeting sent to Apogee Shareholders together with this Circular.

"**Apogee Option Plan**" has the meaning ascribed thereto under "*Particulars of Matters to be Acted Upon at the Meeting – Option Plan Resolution*".

"**Apogee Options**" means options to purchase Apogee Common Shares issued under the Apogee Option Plan.

"**Apogee Preferred Share**" means the convertible preferred shares of Apogee that will be created upon the filing of the Articles of Amendment.

"**Apogee Proxy**" means the form of proxy sent to Registered Apogee Shareholders for use in connection with the Meeting.

"**Apogee Record Date**" means August 8, 2018.

"**Apogee Resolutions**" means, collectively, each of the resolutions set out in the Apogee Notice of Annual and Special Meeting of Shareholders, as further described under "*Particulars of Matters to be Acted Upon at the Meeting*".

"**Apogee Shareholders**" means the holders of Apogee Common Shares.

"**Apogee Unit**" means a unit of Apogee, being comprised of one Apogee Common Share and one Apogee Warrant.

"**Apogee USA**" means Apogee Opportunities (USA) Inc., a wholly-owned subsidiary of Apogee incorporated in the State of Delaware, which will merge with Halo in conjunction with the Business Combination.

"**Apogee USA Common Share**" means the shares of common stock of Apogee USA as constituted on the date of this Circular.

"**Apogee USA Unit**" means a unit of Apogee, being comprised of one Apogee USA Common Share and one Apogee USA Warrant.

"**Apogee USA Warrant**" means a warrant of Apogee USA entitling the holder thereof to acquire one Apogee USA Common Share.

"**Apogee Warrant**" means a warrant of Apogee entitling the holder thereof to acquire one Apogee Common Share.

"**Articles of Amendment**" means the articles of amendment of Apogee to be filed pursuant to the OBCA providing for, among other things: (a) the removal of the existing class of preferred shares of Apogee; (b) the creation of the Apogee Preferred Shares; and (c) the Name Change.

"**Awards**" has the meaning ascribed thereto under "*Particulars of Matters to be Acted Upon at the Meeting – Equity Incentive Plan Resolution – Summary of New Equity Incentive Plan"*.

"**Beneficial Apogee Common Shareholder**" means a non-registered holder of Apogee Common Shares.

"**BHO**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Growth Strategy – Continued Expansion in the U.S. Market – Southern California*".

"**Board**" means the board of directors of Apogee.

"**Board Resolution**" has the meaning ascribed thereto in the Apogee Notice of Meeting, as further described under "*Particulars of Matters to be Acted Upon at the Meeting*".

"**BOLI**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Legal Proceedings and Regulatory Actions*".

"**Broadridge**" means Broadridge Investor Communications.

"**Brokered Offering**" means the brokered private placement of 9,848,250 Special Units and 18,164,000 Subscription Receipts completed on June 29, 2018 for aggregate gross proceeds of approximately CAD$11.20 million.

"**Business Combination**" means the proposed business combination among Apogee USA and Halo pursuant to which Apogee will acquire all of the outstanding shares of capital stock of Halo by way of a merger between Apogee USA and Halo under the DGCL and the ORBCA.

"**C1D1**" means Class 1, Division 1, as defined by the National Fire Protection Agency, denoting a location where ignitable concentrations of flammable gasses or vapors may exist under normal operating conditions, may exist frequently because of repair or maintenance operations or because of leakage, or where breakdown or faulty operation of equipment or processes might release ignitable concentrations of flammable gases or vapors, and might also cause simultaneous failure of electric equipment.

"**Cashless Exercise**" has the meaning ascribed thereto under "*Particulars of Matters to be Acted Upon at the Meeting – Summary of New Equity Incentive Plan – Options*".

"**Cathedral City Facility**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Growth Strategy – Continued Expansion in the U.S. Market – Southern California*".

"**CCR**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – United States Industry Background and Trends – State-Level Regulatory Overview*".

"**CDS**" means CDS Clearing and Depositary Services Inc., which acts as nominee for many Canadian brokerage firms.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**Circular**" means this management information circular, including all Schedules hereto, sent to the Apogee Shareholders in connection with the Meeting.

"**Closing Date**" means date on which the Business Combination is completed.

"**Coastal Harvest**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Corporate Structure*".

"**Code**" means the United States Internal Revenue Code of 1986, as amended.

"**Cura**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Competition – Oregon* ".

"**Definitive Agreement**" means the agreement the parties intend to enter into on, or about, August 10, 2018 as may be amended, supplemented or superseded from time to time, among Apogee, Apogee USA and Halo, a copy of which will be available under Apogee's profile on SEDAR at www.sedar.com.

"**Department of Taxation**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Risk Factors – Summary of Nevada Regulatory Framework*".

"**DGCL**" means the Delaware *General Corporation Law*, as amended.

"**Director**" means the Director appointed under the OBCA.

"**Dividend Equivalent**" has the meaning ascribed thereto under "*Particulars of Matters to be Acted Upon at the Meeting – Equity Incentive Plan Resolution – Summary of New Equity Incentive Plan – DSUs*".

"**Domestic Issuer**" has the meaning ascribed thereto under "*Particulars of Matters to be Acted Upon at the Meeting – Amendment Resolution – Share Reorganization*".

"**Equity Incentive Plan Resolution**" has the meaning ascribed thereto in the Apogee Notice of Meeting, as further described under "*Particulars of Matters to be Acted Upon at the Meeting*".

"**Escrow Agent**" means Odyssey Trust Company acting in its capacity as escrow agent in connection with the Brokered Offering and Non-Brokered Offering.

"**Escrowed Funds**" has the meaning ascribed thereto under "*The Financing*".

"**Escrow Release Conditions**" means the following conditions to be completed or satisfied on or before the Escrow Release Deadline:

(a) the completion, satisfaction or waiver of all conditions precedent to the Business Combination, including under the Definitive Agreement, other than the release of the Escrowed Funds (if applicable), to the satisfaction of the Agents;

(b) the Resulting Issuer Common Shares and the common shares underlying the Resulting Issuer Warrants being approved for listing on a "designated stock exchange" within the meaning of the *Income Tax Act* (Canada);

(c) the receipt of all regulatory, shareholder and third party approvals, if any, required in connection with the Business Combination;

(d) Apogee, Apogee USA, Halo and the Resulting Issuer shall not be in breach or default of any of their respective covenants or obligations under the Subscription Receipt Agreement, the Special Unit Agreement or the Agency Agreement, except (in the case of the Agency Agreement only) for those breaches or defaults that have been waived in writing by the Agents, and all conditions set out in the Agency Agreement shall have been fulfilled, which shall all be confirmed to be true in a certificate of the CEO and CFO of each of the Apogee, Apogee USA and Halo; and

(e) Apogee, Apogee USA and the Agents having delivered the Release Notice.

"**Escrow Release Deadline**" means December 20, 2018.

"**Exchange Ratio**" means 1.35 Resulting Issuer Securities for each Halo Security.

"**FATCA**" means Foreign Account Tax Compliance Act.

"**Federal CSA**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – United States Industry Background and Trends – State Status of Legalization – United States Federal Overview*".

"**FinCEN**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Risk Factors – Anti-Money Laundering Laws, Banking Regulations and Bankruptcy Protection*".

"**FinCEN Memorandum**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Risk Factors – Anti-Money Laundering Laws, Banking Regulations and Bankruptcy Protection*".

"**Finders' Options**" means options of Apogee exercisable into one Apogee Unit at a price of CAD$0.40 per Apogee Unit until December 31, 2020.

"**First Tranche Non-Brokered Subscription Receipt Agreement**" means the non-brokered subscription receipt agreement dated June 29, 2018 among Apogee, Apogee USA and Odyssey.

"**Halo**" means ANM, Inc., a company existing under the laws of the State of Oregon and an entity that will become a wholly-owned subsidiary of the Resulting Issuer as a result of the Business Combination.

"**Halo 2017 Convertible Notes**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Description of Debt Capital and Material Indebtedness*".

"**Halo 2017 Coastal Harvest Acquisition Notes**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Description of Debt Capital and Material Indebtedness*".

"**Halo 2018 Convertible Notes**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Description of Debt Capital and Material Indebtedness*".

"**Halo AV Promissory Note**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Description of Debt Capital and Material Indebtedness*".

"**Halo Bridge Loan**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Description of Debt Capital and Material Indebtedness*".

"**Halo Common Shareholders**" means the holders of Halo Common Shares.

"**Halo Common Shares**" means the shares of common stock of Halo as constituted on the date of this Circular.

"**Halo Convertible Debt Shares**" means the shares of common stock of Halo issuable upon conversion of the Halo 2017 Convertible Notes, the Halo 2018 Convertible Notes, the Halo Related Party Convertible Notes and the Halo Pre-RTO Notes.

"**Halo Convertible Debt Warrants**" means the Halo Warrants issuable upon conversion of the Halo 2017 Convertible Notes, the Halo Related Party Convertible Notes and the Halo Pre-RTO Notes.

"**Halo Options**" means the options granted under the Halo Stock Incentive Plan to acquire Halo Common Shares.

"**Halo Oregon Offering**" has the meaning ascribed thereto under "*The Halo Oregon Offering*".

"**Halo Pre-RTO Notes**" has the meaning ascribed thereto under "*The Halo Oregon Offering*".

"**Halo Pre-RTO Units**" has the meaning ascribed thereto under "*The Halo Oregon Offering*".

"**Halo Related Party Convertible Notes**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Description of Debt Capital and Material Indebtedness*".

"**Halo Related Party Promissory Notes**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Description of Debt Capital and Material Indebtedness*".

"**Halo Pending Restricted Common Shares**" means the Halo Common Shares which have been issued under the Halo Stock Incentive Plan pending the approval of the recipients as "financial interest" holders by the OLCC.

"**Halo Securities**" means, collectively, Halo Common Shares, Halo Warrants, Halo Convertible Debt Shares, Halo Convertible Debt Warrants, Halo Options and Halo Pending Restricted Common Shares.

"**Halo Stock Incentive Plan**" means the ANM, Inc. Stock Incentive Plan to be terminated concurrently with the completion of the Business Combination.

"**Halo Warrants**" means warrants of Halo entitling the holder thereof to acquire Halo Common Shares.

"**Holder**" means a holder of securities of Apogee, Apogee USA, Halo or the Resulting Issuer, as the context requires.

"**ICL9**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Business – History*".

"**ICL9 Facility**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Growth Strategy – Continued Expansion in the U.S. Market – Southern California*".

"**Iconic**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Growth Strategy – Continued Expansion in the U.S. Market – Oregon*".

"**Intermediary**" means a broker, custodian, nominee or other intermediary that holds the Apogee Common Shares on behalf of a Beneficial Apogee Common Shareholder.

"**IRS**" means United States Internal Revenue Service.

"**Issue Price**" means CAD$0.40.

"**IT**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Additional Risk Factors – Risks Related to the Business of Halo – Information Technology Systems and Cyber-Attacks*".

"**Just Quality**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Growth Strategy – Continued Expansion in the U.S. Market – Nevada*".

"**Just Quality Transaction**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Growth Strategy – Continued Expansion in the U.S. Market – Nevada*".

"**Leahy Amendment**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Risk Factors – U.S. Enforcement Proceedings and the Leahy Amendment*".

"**MAUCRSA**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Risk Factors – Summary of California Regulatory Framework*".

"**Meeting**" means the annual and special meeting of Apogee Shareholders, including any adjournment or postponement thereof, to consider the Apogee Resolutions.

"**Meeting Materials**" means, collectively, the Apogee Notice of Meeting, the Apogee Proxy.

"**METRC**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Risk Factors – Summary of Oregon Regulatory Framework*".

"**MICA**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Growth Strategy – Continued Expansion in the U.S. Market – Southern California*".

"**MOU**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Additional Risk Factors – Halo may be subject to heightened scrutiny by Canadian regulatory authorities*".

"**Namaste**" has the meaning ascribed thereto under "*Schedule "D" – Information Concerning the Resulting Issuer – Management – Biographies – Kiran Sidhu, proposed CEO and Director*".

"**Name Change**" means the name change of Apogee to "Halo Labs Inc." or such other name as the Halo Board, in its sole discretion, deems appropriate and is acceptable to the applicable regulatory authorities.

"**NEO Exchange**" means Aequitas NEO Exchange Inc.

"**New Equity Incentive Plan**" has the meaning ascribed thereto under "*Particulars of Matters to be Acted Upon at the Meeting – Equity Incentive Plan Resolution*".

"**New Site**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Growth Strategy*".

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**NI 54-101**" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

"**NOBOs**" has the meaning ascribed thereto under "*General Information Concerning the Meeting and Voting – Beneficial Apogee Shareholders*".

"**Non-Brokered Offering**" means the non-brokered private placement of 60,000 Special Units and 8,342,370 Subscription Receipts completed in two tranches on June 29, 2018 and August 2, 2018 for aggregate gross proceeds of approximately CAD$3.36 million.

"**Non-Brokered Special Unit Agreement**" means the Non-Brokered Special Unit Agreement dated June 29, 2018 between Apogee and Odyssey.

"**Non-Brokered Subscription Receipt Agreement**" means, collectively the First Tranche Non-Brokered Subscription Receipt Agreement and Second Tranche Non-Brokered Subscription Receipt Agreement.

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended.

"**OBOs**" has the meaning ascribed thereto under "*General Information Concerning the Meeting and Voting – Beneficial Apogee Shareholders*".

"**Odyssey**" means Odyssey Trust Company.

"**Offered Securities**" means the Special Units and the Subscription Receipts offered in connection with the Brokered and Non-Brokered Offerings.

"**Offerings**" means, collectively, the Brokered Offering, Non-Brokered Offering and Halo Oregon Offering.

"**OHA**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Risk Factors – Summary of Oregon Regulatory Framework*".

"**OLCC**" means the Oregon Liquor Control Commission, being the recreational cannabis regulatory authority in Oregon.

"**OMMP**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Risk Factors – Summary of Oregon Regulatory Framework*".

"**Option Plan Resolution**" has the meaning ascribed thereto in the Apogee Notice of Meeting, as further described under "*Particulars of Matters to be Acted Upon at the Meeting*".

"**Options**" has the meaning ascribed thereto under "*Particulars of Matters to be Acted Upon at the Meeting – Summary of New Equity Incentive Plan – Purpose".*

"**ORBCA**" means the Oregon Business Corporation Act.

"**Oregon Finder Units**" has the meaning ascribed thereto in "*The Halo Oregon Offering*".

"**Person**" means a company or individual.

"**Registered Apogee Common Shareholder**" means a registered holder of Apogee Common Shares.

"**Release Notice**" means the joint notice delivered by Apogee, Apogee USA and the Agents to the Escrow Agent confirming that that all Escrow Release Conditions have been met or waived.

"**Resulting Issuer**" means Apogee after completion of the Business Combination.

"**Resulting Issuer Agents' Compensation Option**" means an option to acquire a Resulting Issuer Common Shares issued to the former holders of the Agents' Compensation Options, pursuant to the terms of the Definitive Agreement.

"**Resulting Issuer Audit Committee**" means the contemplated audit committee of the Resulting Issuer.

"**Resulting Issuer Auditor Resolution**" has the meaning ascribed thereto in the Apogee Notice of Meeting, as further described under "*Particulars of Matters to be Acted Upon at the Meeting*".

"**Resulting Issuer Board**" means the board of directors of the Resulting Issuer as the same is constituted from time to time.

"**Resulting Issuer Board Nominees**" has the meaning ascribed thereto in "*Particulars of Matters to be Acted Upon at the Meeting – Resulting Issuer Director Election Resolution*".

"**Resulting Issuer Board Resolution**" has the meaning ascribed thereto in the Apogee Notice of Annual and Special Meeting of Shareholders, as further described under "*Particulars of Matters to be Acted Upon at the Meeting*".

"**Resulting Issuer Common Shares**" means the common shares of the Resulting Issuer existing upon completion of the Business Combination.

"**Resulting Issuer Director Election Resolution**" has the meaning ascribed thereto in the Apogee Notice of Meeting, as further described under "*Particulars of Matters to be Acted Upon at the Meeting*".

"**Resulting Issuer Finders' Option**" means an option to acquire a Resulting Issuer Common Share issued to the former holders of the Finders' Options, pursuant to the terms of the Definitive Agreement.

"**Resulting Issuer Restricted Shares**" means the convertible preferred shares of the Resulting Issuer that will be created upon the filing of the Articles of Amendment.

"**Resulting Issuer Securities**" means, collectively, the Resulting Issuer Common Shares, Resulting Issuer Warrants, Resulting Issuer Restricted Shares, Resulting Issuer Finders' Options and Resulting Issuer Agents' Compensation Options.

"**Resulting Issuer Warrants**" means the common share purchase warrants of the Resulting Issuer existing upon completion of the Business Combination.

"**RSU**" has the meaning ascribed thereto under "*Particulars of Matters to be Acted Upon at the Meeting – Equity Incentive Plan Resolution – Summary of New Equity Incentive Plan"*.

"**SAR**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Risk Factors – Anti-Money Laundering Laws, Banking Regulations and Bankruptcy Protection*".

"**Second Tranche Non-Brokered Subscription Receipt Agreement**" means the non-brokered subscription receipt

agreement dated August 2, 2018 among Apogee, Apogee USA and Odyssey.

"**Section 280E**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Additional Risk Factors – Risks Related to the Business of Halo – Halo will not be able to deduct many normal business expenses for U.S. federal income tax purposes*".

"**Sessions Memorandum**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – United States Industry Background and Trends – State Status of Legalization – Rescission of the 2013 Cole Memorandum*".

"**Share Reorganization**" has the meaning ascribed thereto in the Apogee Notice of Meeting, as further described under "*Particulars of Matters to be Acted Upon at the Meeting*".

"**Special Unit Agreement**" means the Special Unit Agreement dated June 29, 2018 between Apogee, Apogee USA, Odyssey and the Agents.

"**Special Units**" means the special units of Apogee issued pursuant to the Brokered Offering and Non-Brokered Offering, with each Special Unit being convertible into one Apogee Unit.

"**Subscription Receipt Agreement**" means the Subscription Receipt Agreement dated June 29, 2018 between Apogee, Apogee USA, Odyssey and the Agents.

"**Subscription Receipts**" means the subscription receipts of Apogee USA issued pursuant to the Brokered Offering and Non-Brokered Offering, with each Subscription Receipt being convertible into one Apogee USA Unit.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

"**Termination Date**" has the meaning ascribed thereto under "*The Definitive Agreement – Termination*".

"**Top Flight Security**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Legal Proceedings and Regulatory Actions*".

"**UHY McGovern**" has the meaning ascribed thereto under "*Particulars of Matters to be Acted Upon at the Meeting – Apogee Auditor Resolution*".

"**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

"**Unvested Awards**" has the meaning ascribed thereto under "*Particulars of Matters to be Acted Upon at the Meeting – Summary of New Equity Incentive Plan*".

"**USAM**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – United States Industry Background and Trends – State Status of Legalization – Rescission of the 2013 Cole Memorandum*".

"**U.S. Attorneys**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – United States Industry Background and Trends – State Status of Legalization – United States Federal Overview*".

"**U.S. DOJ**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – United States Industry Background and Trends – State Status of Legalization – United States Federal Overview*".

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

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

"**USTP**" has the meaning ascribed thereto under "*Schedule "C" – Information Concerning Halo – Risk Factors –*

Anti-Money Laundering Laws, Banking Regulations and Bankruptcy Protection ".

"**VIF**" means a voting instruction form.

"**VWAP**" has the meaning ascribed thereto under "*The Financing*".

SUMMARY

The following is a summary of information relating to the Business Combination, Apogee, Halo, the Resulting Issuer (assuming completion of the matters contemplated in this Circular) and the Meeting and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular. Apogee Shareholders are encouraged to read this Circular carefully and in its entirety. In this summary, dollar amounts are expressed in Canadian dollars unless otherwise stated. Capitalized words and terms in this summary have the same meanings as set forth in the Glossary and elsewhere in this Circular.

The Business Combination

Apogee and Halo intend to enter into the Definitive Agreement on, or about, August 10, 2018 to complete the Business Combination. Pursuant to the Definitive Agreement, Apogee has agreed to, among other things, call the Meeting to seek approval of Apogee Shareholders of the Apogee Resolutions. Upon the satisfaction or waiver of the conditions to the completion of the Business Combination, including without limitation the completion of the Name Change and the Share Reorganization, the parties will complete the Business Combination. The Business Combination will occur via a merger between Apogee (USA) and Halo under the DGCL and the ORBCA.

See "*The Business Combination*".

Benefits of the Business Combination

The Board believes that the Business Combination will have the following benefits for the Apogee Shareholders:

(i) the Resulting Issuer will have a direct interest in the Halo business;

(ii) Apogee Shareholders will be in a position to participate in future value creation and growth opportunities in the Halo business;

(iii) the proposed management team and nominees to the Resulting Issuer Board have extensive experience in the U.S. cannabis industry and have been responsible for substantial stakeholder value creation and have demonstrated capabilities in financing, acquiring, and developing assets. See "*Schedule "D" – Information Concerning the Resulting Issuer – Management*";

(iv) the proposed management team and nominees to the Resulting Issuer Board have high visibility in the cannabis industry and investment community, and significant relationships with key sector investors and analysts that should help to attract strong retail and institutional support;

(v) the Resulting Issuer will have significant cannabis cultivation, production and distribution assets in three U.S. states, with the prospect of expanding to other U.S. states that have legalized medical or recreational cannabis. See "*Schedule "C" – Information Concerning Halo*"; and

(vi) the Resulting Issuer is expected to have increased share trading liquidity and will have a greater market capitalization that is attractive to a wider range of investors than that offered by Apogee prior to the Business Combination.

Recommendation of the Board

The Board has unanimously approved the Definitive Agreement and unanimously recommends that the Apogee Shareholders vote IN FAVOUR of the Apogee Resolutions at the Meeting. In approving the Definitive Agreement and recommending that the Apogee Shareholders vote in favour of the Apogee Resolutions, the Board

considered, among other things, the expected benefits of the Business Combination as well as the following factors:

(i) information provided by Halo with respect to the Halo business;

(ii) information provided by Halo with respect to the financial condition of Halo;

(iii) the anticipated size and market liquidity of the Resulting Issuer following completion of the Business Combination; and

(iv) the expected value of the outstanding Resulting Issuer Common Shares (based on the Issue Price) on a fully diluted basis.

The Board also considered a variety of risks and other potentially negative factors relating to the Business Combination including those matters described under "*Risk Factors Relating to the Business Combination*". The Board believes that, overall, the anticipated benefits of the Business Combination to Apogee outweigh these risks and negative factors.

The foregoing summary of the information and factors considered by the Board is not intended to be exhaustive, but includes the material information and factors considered by the Board in their consideration of the Business Combination. In view of the variety of factors and the amount of information considered in connection with the Board's evaluation of the Business Combination, the Board did not find it practicable to and did not quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching its conclusions and recommendations. In addition, individual members of the Board may have assigned different weights to different factors in reaching their own conclusion as to the benefits of the Business Combination.

Steps of the Business Combination

The principal steps of the Business Combination are as follows:

(i) Apogee and Apogee USA completed the Brokered Offering and Non-Brokered Offering for gross proceeds of approximately CAD$14.56 million;

(ii) Halo will complete the Halo Oregon Offering for gross proceeds of up to approximately US$10 million;

(iii) Apogee will file the Articles of Amendment to complete the Name Change and the Share Reorganization;

(iv) pursuant to the terms of the Special Unit Agreement and the Non-Brokered Special Unit Agreement, the Special Units will automatically convert, without payment of additional consideration or further action on the part of the holder, into Apogee Units, consisting of Apogee Common Shares and Apogee Warrants;

(v) pursuant to the terms of the Subscription Receipt Agreement and the Non-Brokered Subscription Receipt Agreement, the Subscription Receipts will automatically convert, without payment of additional consideration or further action on the part of the holder, into Apogee USA Units, consisting of Apogee USA Common Shares and Apogee USA Warrants;

(vi) the Halo 2017 Convertible Notes, Halo 2018 Convertible Notes and Halo Related Party Convertible Promissory Notes will convert into Halo Common Shares in accordance with the terms thereof;

(vii) the Halo Pre-RTO Notes will convert into Halo Pre-RTO Units in accordance with the

terms thereof, consisting of Halo Common Shares and Halo Warrants;

(viii) pursuant to the terms of the Definitive Agreement, the former holders of Special Units will exchange their Apogee Common Shares and Apogee Warrants for Resulting Issuer Common Shares and Resulting Issuer CAD$0.80 Warrants;

(ix) pursuant to the terms of the Definitive Agreement, the former holders of Subscription Receipts will exchange their Apogee USA Common Shares and Apogee USA Warrants for Resulting Issuer Common Shares and Resulting Issuer CAD$0.80 Warrants;

(x) pursuant to the terms of the Definitive Agreement, the Halo Securities will be exchanged for Resulting Issuer Securities at the Exchange Ratio, as applicable;

(xi) pursuant to the terms of the Definitive Agreement, the Agents' Compensation Options will be exchanged for Resulting Issuer Agents' Compensation Options;

(xii) pursuant to the terms of the Definitive Agreement, the Finders' Options will be exchanged for Resulting Issuer Finders' Options;

(xiii) Apogee USA will merge with and into Halo to form Apogee Mergeco, which will be wholly -owned by Apogee; and

(xiv) the Escrowed Funds will be released from escrow to Apogee upon receipt of the Release Notice by the Escrow Agent.

Information about Halo

Halo is a corporation existing under the laws of Oregon and was formed on March 18, 2016. There is no public market for the Halo Common Shares.

Halo is a United States-based, manufacturer of cannabis oil and concentrates that cultivates cannabis plants and utilizes its proprietary technology to extract oils and manufacture concentrates in Oregon. Halo has subsidiaries for its planned licensed recreational cannabis operations in California and a management agreement with a Nevada company with medical and recreational marijuana licenses, and a binding term sheet to acquire such licenses from the Nevada company.

See "*Schedule "C" – Information Concerning Halo*".

Information about the Resulting Issuer

Pursuant to the Business Combination, Apogee will acquire voting control of, and will acquire an interest in, Halo. Following completion of the Business Combination, the Resulting Issuer will have a direct economic interest in the Halo business. Apogee will also change its name to "Halo Labs Inc." in connection with the Business Combination.

See "*Schedule "D" – Information Concerning the Resulting Issuer*".

Risk Factors

There are a number of risks associated with the Business Combination, the Resulting Issuer and the business of Halo, including that the manufacture, possession, use, sale or distribution of cannabis is currently illegal under U.S. federal laws. All of these risk factors should be carefully considered by Apogee Shareholders. See "*Risk Factors Relating to the Business Combination*", and the risk factors discussed in the Schedules attached hereto including in "*Schedule "C" – Information Concerning Halo – Risk Factors*" and "*Schedule "D" –*

Information Concerning the Resulting Issuer – Risk Factors".

The Meeting

The Meeting will be held at Suite 800, Wildeboer Dellelce Place, 365 Bay Street, Toronto, Ontario M5H 2V1 at 10:00 a.m. (Toronto time) on September 12, 2018, or at any adjournment or postponement thereof, for the purposes set forth in the Apogee Notice of Meeting. At the Meeting, Apogee Shareholders will be asked to consider, and if thought advisable, approve, with or without variation, the Board Resolution, the Apogee Director Election Resolution, the Apogee Auditor Resolution, the Option Plan Resolution, the Business Combination Resolution, the Amendment Resolution, the Resulting Issuer Director Election Resolution, the Resulting Issuer Auditor Resolution and the Equity Incentive Plan Resolution, all as more specifically set out in "*Particulars of Matters to be Acted Upon at the Meeting*", and to consider such other matters as may properly come before the Meeting. To be effective, the Apogee Resolutions (excluding the Amendment Resolution and the Resulting Issuer Board Resolution), including the Equity Incentive Plan Resolution, each require the affirmative vote of not less than a majority of the votes cast by Apogee Shareholders present in person or represented by proxy and entitled to vote at the Meeting. To be effective, the Amendment Resolution and the Resulting Issuer Board Resolution require the affirmative vote of not less than two-thirds (2/3) of the votes cast by Apogee Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

The Board has fixed the record date for the Meeting, the Apogee Record Date, as the close of business on August 8, 2018. As at such date, 8,975,607 Apogee Common Shares and no Preferred Shares were issued and outstanding. Only Registered Apogee Shareholders of record as of the close of business on the Apogee Record Date will be entitled to vote at the Meeting. Proxies must be received by Odyssey, Apogee's registrar and transfer agent, not later than 10:00 a.m. (Toronto time) on September 10, 2018. See "*General Information Concerning the Meeting and Voting – Voting by Proxies*".

THE BUSINESS COMBINATION

Pursuant to the Definitive Agreement, Apogee, Apogee USA and Halo have agreed to complete the Business Combination pursuant to which, among other things, on completion of the Business Combination, the Resulting Issuer will hold all of the shares of Halo, and will be in the business of the cultivation, production and wholesale distribution of cannabis in certain states of the United States.

As at the date of this Circular, there were 8,975,607 Apogee Common Shares, no Apogee Options and 9,908,250 Apogee Special Units outstanding, with each such Apogee Special Unit entitling the holder to acquire one Apogee Unit. Each Apogee Unit consists of one Apogee Common Share and one Apogee Warrant, with each Apogee Warrant entitling the holder to acquire one additional Apogee Common Share at a price of CAD$0.80 per share until December 31, 2020.

Following completion of the Business Combination, and on a non-diluted basis, current Halo Common Shareholders are expected to own approximately 51.8% of the equity of Apogee, current Apogee Shareholders are expected to own approximately 5.7% of the equity of Apogee and former holders of Special Units, Subscription Receipts and Halo Pre-RTO Notes are expected to own the balance of approximately 42.5% of the equity of Apogee.

The following table sets forth the pro forma capitalization of the Resulting Issuer after giving effect to the Business Combination and the Offerings:

Description	Amount Outstanding Prior to Giving Effect to the Offerings and the Business Combination	Amount Outstanding After Giving Effect to the Offerings but Prior to Giving Effect to the Business Combination	Amount Outstanding After Giving Effect to the Offerings and the Business Combination
Resulting Issuer Common Shares	8,975,607	44,442,647	157,500,044[(2)]
Resulting Issuer Restricted Shares	Nil	Nil	Nil
Resulting Issuer Warrants	1,123,077	36,590,117	118,046,420[(2)]
Resulting Issuer Options	Nil	Nil	3,678,750
Resulting Issuer Agents' Compensation Options & Resulting Issuer Finders Options[(1)]	Nil	2,660,028	2,660,028

Notes:

(1) Does not include approximately 226,249 Resulting Issuer Warrants that may be issuable to the Agents (subject to negotiation) upon completion of the Halo Oregon Offering.

(2) Assumes closing the Business Combination on or about September 30, 2018, interest rates that vary depending on the particular instrument, and a CAD$1.30/US$1.00 exchange rate.

Halo is a United States-based, manufacturer of cannabis oil and concentrates that cultivates cannabis plants and utilizes its proprietary technology to extract oils and manufacture concentrates in Oregon. Halo operates directly in Oregon, has subsidiaries for its licensed medical and/or recreational cannabis operations in California and a marketing agreement with a Nevada company. Halo's issued and outstanding capital currently consists of the Halo Common Shares. There is no public market for the Halo Common Shares.

Benefits of the Business Combination

The Board believes that the Business Combination will have the following benefits for the Apogee

Shareholders:

(i) the Resulting Issuer will have a direct interest in the Halo business;

(ii) Apogee Shareholders will be in a position to participate in future value creation and growth opportunities in the Halo business;

(iii) the proposed management team and nominees to the Resulting Issuer Board have extensive experience in the U.S. cannabis industry and have been responsible for substantial stakeholder value creation and have demonstrated capabilities in financing, acquiring, and developing assets. See "*Schedule "D" – Information Concerning the Resulting Issuer – Management*";

(iv) the proposed management team and nominees to the Resulting Issuer Board have high visibility in the cannabis industry and investment community, and significant relationships with key sector investors and analysts that should help to attract strong retail and institutional support;

(v) the Resulting Issuer will have significant cannabis cultivation, production and distribution assets in three U.S. states, with the prospect of expanding to other U.S. states that have legalized medical or recreational cannabis. See "*Schedule "C" – Information Concerning Halo*"; and

(vi) the Resulting Issuer is expected to have increased share trading liquidity and will have a greater market capitalization that is attractive to a wider range of investors than that offered by Apogee prior to the Business Combination.

Recommendation of the Board

The Board has unanimously approved the Definitive Agreement and unanimously recommends that the Apogee Shareholders vote IN FAVOUR of the Apogee Resolutions at the Meeting. In approving the Definitive Agreement and recommending that the Apogee Shareholders vote in favour of the Apogee Resolutions, the Board considered, among other things, the expected benefits of the Business Combination as well as the following factors:

(i) information provided by Halo with respect to the Halo business;

(ii) information provided by Halo with respect to the financial condition of Halo;

(iii) the anticipated size and market liquidity of the Resulting Issuer following completion of the Business Combination; and

(iv) the expected value of the outstanding Resulting Issuer Common Shares (based on the Issue Price) on a fully diluted basis.

The Board also considered a variety of risks and other potentially negative factors relating to the Business Combination including those matters described under "*Risk Factors Relating to the Business Combination*". The Board believes that, overall, the anticipated benefits of the Business Combination to Apogee outweigh these risks and negative factors.

The foregoing summary of the information and factors considered by the Board is not intended to be exhaustive, but includes the material information and factors considered by the Board in their consideration of the Business Combination. In view of the variety of factors and the amount of information considered in connection with the Board's evaluation of the Business Combination, the Board did not find it practicable to and did not quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching its

conclusions and recommendations. In addition, individual members of the Board may have assigned different weights to different factors in reaching their own conclusion as to the benefits of the Business Combination.

Steps of the Business Combination

Prior to the closing of the Business Combination, Apogee will take the necessary steps to give effect to the Name Change and the Share Reorganization. It is currently the intention of Apogee and Halo that the Name Change and the Share Reorganization will be completed immediately following approval by the Apogee Shareholders of the Apogee Resolutions at the Meeting. Implementation of the Business Combination is subject to receipt of all requisite regulatory approvals, shareholder approvals and third party consents and other customary conditions.

The principal steps of the Business Combination are as follows:

(i) Apogee and Apogee USA completed the Brokered Offering and Non-Brokered Offering for gross proceeds of approximately CAD$14.56 million;

(ii) Halo will complete the Halo Oregon Offering for gross proceeds of up to approximately US$10 million;

(iii) Apogee will file the Articles of Amendment to complete the Name Change and the Share Reorganization;

(iv) pursuant to the terms of the Special Unit Agreement and the Non-Brokered Special Unit Agreement, the Special Units will automatically convert, without payment of additional consideration or further action on the part of the holder, into Apogee Units, consisting of Apogee Common Shares and Apogee Warrants;

(v) pursuant to the terms of the Subscription Receipt Agreement and the Non-Brokered Subscription Receipt Agreement, the Subscription Receipts will automatically convert, without payment of additional consideration or further action on the part of the holder, into Apogee USA Units, consisting of Apogee USA Common Shares and Apogee USA Warrants;

(vi) the Halo 2017 Convertible Notes, Halo 2018 Convertible Notes and Halo Related Party Convertible Notes will convert into Halo Common Shares in accordance with the terms thereof;

(vii) the Halo Pre-RTO Notes will convert into Halo Pre-RTO Units in accordance with the terms thereof, consisting of Halo Common Shares and Halo Warrants;

(viii) pursuant to the terms of the Definitive Agreement, the former holders of Special Units will exchange their Apogee Common Shares and Apogee Warrants for Resulting Issuer Common Shares and Resulting Issuer CAD$0.80 Warrants;

(ix) pursuant to the terms of the Definitive Agreement, the former holders of Subscription Receipts will exchange their Apogee USA Common Shares and Apogee USA Warrants for Resulting Issuer Common Shares and Resulting Issuer CAD$0.80 Warrants;

(x) pursuant to the terms of the Definitive Agreement, the Halo Securities will be exchanged for Resulting Issuer Securities at the Exchange Ratio, as applicable;

(xi) pursuant to the terms of the Definitive Agreement, the Agents' Compensation Options

will be exchanged for Resulting Issuer Agents' Compensation Options;

(xii) pursuant to the terms of the Definitive Agreement, the Finders' Options will be exchanged for Resulting Issuer Finders' Options;

(xiii) Apogee USA will merge with and into Halo to form Apogee Mergeco, which will be wholly-owned by Apogee; and

(xiv) the Escrowed Funds will be released from escrow to Apogee upon receipt of the Release Notice by the Escrow Agent.

THE DEFINITIVE AGREEMENT

The following description of the material terms and conditions of the Definitive Agreement is a summary only and is qualified in its entirety by reference to the terms of the Definitive Agreement. The full text of the Definitive Agreement is available under Apogee's profile on SEDAR at www.sedar.com. Apogee Shareholders are encouraged to read the Definitive Agreement in its entirety.

General

The Definitive Agreement, which the parties intend to enter into on, or about, August 10, 2018, is made between Apogee, Apogee USA and Halo. The Definitive Agreement provides for a combination of the businesses of Apogee and Halo by way of the Business Combination via a merger between Apogee (USA) and Halo under the DGCL and the ORBCA. For an overview of the series of transactions contemplated to be a part of the Business Combination, please see "*The Business Combination*" above.

Representations and Warranties

The Definitive Agreement provides for various representations and warranties of Apogee, on behalf of itself and Apogee USA, and Halo to the other party with respect to themselves and their respective businesses. These representations and warranties relate to, among other things: organization and corporate capacity, subsidiaries, capitalization, convertible securities, dissolution, approvals and consents, authorizations and binding effect, litigation, judgements, financial statements, compliance (including stock exchange and securities laws compliance) and absence ofchanges.

Conditions Precedent

The completion of the Business Combination is subject to certain conditions precedent that must be satisfied prior to the Closing Date, subject to waiver by either party for whose benefit the conditions precedent are inserted.

Conditions Precedent for the Benefit of Apogee

Prior to the Closing Date, the following are the conditions precedent for the benefit of Apogee:

(i) other than approval of the Board, receipt of all required approvals and consents for the Business Combination and all related matters and for the definitive agreements for the Business Combination, including without limitation:

(a) the receipt of all requisite approvals of the Halo Common Shareholders and Apogee Shareholders as required by the NEO Exchange or applicable corporate or securities laws to implement the Business Combination;

(b) the approval of any third parties from whom Halo must obtain consent including, without limitation, all regulatory approvals;

(ii) no material adverse change shall have occurred in the business, results of operations, assets, liabilities, financial condition or affairs of Halo since March 31, 2018;

(iii) the representations and warranties of Halo contained in the definitive agreements for the Business Combination addressed to Apogee shall be true and correct in all material respects as of the Closing Date, except as affected by transactions contemplated or permitted by the Definitive Agreement;

(iv) there being no prohibition under applicable laws against consummation of the Business Combination;

(v) no action or proceeding pending or threatened by any Person in any jurisdiction, or any applicable Laws proposed, enacted, promulgated or applied, to enjoin, restrict or prohibit the Business Combination or which could reasonably be expected to result in a Material Adverse Effect on the Company;

(vi) Halo shall be in compliance in all material respects with the terms of the definitive agreements for the Business Combination; and

(vii) the Release Notice shall have been delivered to the Escrow Agent.

Conditions Precedent for the Benefit of Halo

Prior to the Closing Date, the following are the conditions precedent for the benefit of Halo:

(i) receipt of all required approvals and consents for the Business Combination and all related matters and for the definitive agreements for the Business Combination, including without limitation:

(a) the receipt of all requisite approvals of the Halo Common Shareholders and Apogee Shareholders as required by the NEO Exchange or applicable corporate or securities laws to implement the Business Combination;

(b) the approval of the NEO Exchange for the listing of the Resulting Issuer Common Shares;

(c) the approval of any third parties from whom Halo must obtain consent including, without limitation, all regulatory approvals; and

(d) the approval of the Board of the Name Change;

(ii) each Resulting Issuer Common Share issuable pursuant to the Business Combination shall be issued as fully paid and non-assessable shares in the capital of Apogee, free and clear of any and all encumbrances, liens, charges, demands of whatsoever nature, except those imposed pursuant to the escrow restrictions of the NEO Exchange, and shall be exempt from the prospectus requirements of applicable Canadian securities laws in each of the provinces and territories of Canada and such securities shall not be subject to resale restrictions under applicable Canadian securities laws (other than as applicable to control persons);

(iii) the Resulting Issuer Board Nominees shall have been elected to the Board, conditional upon the completion of the Business Combination, and the management nominees of

Halo shall have been duly appointed as the management of Apogee as of the time of closing of the Business Combination;

(iv) no material adverse change shall have occurred in the business, results of operations, assets, liabilities, financial condition or affairs of Apogee since June 30, 2018, other than a reduction of its cash position in order to pay ongoing operating expenses and professional fees or other expenses in connection with the Acquisition;

(v) the representations and warranties of Apogee contained in the Definitive Agreement shall be true and correct in all material respects as of the Closing Date, other than as a result of any change in the issued and outstanding securities of Apogee as a result of the Business Combination;

(vi) there being no prohibition under applicable laws against consummation of the Business Combination;

(vii) no action or proceeding pending or threatened by any Person in any jurisdiction, or any applicable Laws proposed, enacted, promulgated or applied, to enjoin, restrict or prohibit the Business Combination or which could reasonably be expected to result in a Material Adverse Effect on Apogee;

(viii) Apogee shall be in compliance in all material respects with the terms of the definitive agreements for the Business Combination; and

(ix) the aggregate gross proceeds raised from the Brokered Offering and Non-Brokered Offering, being approximately CAD$14.56 million, shall have been released unconditionally by the Escrow Agent to Apogee.

Alternative Transaction

The Definitive Agreement provides that should Halo or Apogee receive a bona fide offer, whether written or oral (an "**Alternative Transaction Offer**") from a third party to acquire all or substantially all of the assets or shares of Halo or Apogee, as applicable, or to enter into an arrangement or agreement which would materially interfere with the Business Combination, then Halo or Apogee, as applicable, may:

(i) furnish information with respect to Halo or Apogee, as applicable, to the person making such Alternative Transaction Offer, allow such person access to Halo's or Apogee's, as applicable, facilities and properties and engage in discussions and negotiations; and

(ii) enter into an agreement with respect to an Alternative Transaction Offer.

However, Halo or Apogee, as applicable, must have delivered written notice to Apogee or Halo, as applicable, of its intention to enter into an agreement with respect to such Alternative Transaction Offer and to terminate the Definitive Agreement. A payment ranging from CAD$4 to CAD$6 million, depending on the timing of the delivery of the written notice, will also need to be made to Apogee or Halo, as applicable.

Termination

The Definitive Agreement shall terminate on the day (the "**Termination Date**") on which the earliest of the following events occurs:

(i) written agreement of Apogee and Halo to terminate the Definitive Agreement;

(ii) upon provision of a notice of an Alternative Transaction Offer and payment by Halo or Apogee, as applicable, to the other party;

(iii) any applicable regulatory or government agency having notified in writing either

Apogee or Halo of its determination to not permit the Business Combination to proceed, in whole or in part, and the parties have used commercially reasonable efforts to appeal or reverse such determination, or modify the terms of the Business Combination on a basis that is not prejudicial to either party hereto in order to address such determination; and

(iv) if the Business Combination is not completed on or prior to December 20, 2018.

Upon termination of the Definitive Agreement, Halo and Apogee shall have no obligations to one another, other than among other things maintaining confidentiality and in respect of any liability of a party due to a breach of any terms or conditions set forth in the Definitive Agreement prior to termination.

THE FINANCING

Pursuant to the Agency Agreement, Halo, Apogee and Apogee USA engaged the Agents to complete the Brokered Offering, which was completed on June 29, 2018 for gross proceeds of approximately CAD$11.20 million. Concurrently with the Brokered Offering, Apogee and Apogee USA completed the Non-Brokered Offering on June 29, 2018, with a second subsequent tranche that closed on August 2, 2018, for aggregate gross proceeds of approximately CAD$3.36 million.

In accordance with the terms of the Subscription Receipt Agreement and the Non-Brokered Subscription Receipt Agreement, upon the satisfaction of the Escrow Release Conditions on or prior to the Escrow Release Deadline and immediately prior to the closing of the Business Combination, each Subscription Receipt will automatically convert, without any further action on the part of the holder or payment of additional consideration, into one Apogee USA Unit, being comprised of one Apogee USA Common Share and one Apogee USA Warrant (with each Apogee USA Common Share and Apogee USA Warrant underlying such Apogee USA Unit entitling the holder thereof to receive one Resulting Issuer Common Share and one Resulting Issuer CAD$0.80 Warrant under the Business Combination pursuant to the terms of the Definitive Agreement).

In accordance with the terms of the Special Unit Agreement the Non-Brokered Special Unit Agreement, upon the satisfaction of the Escrow Release Conditions on or prior to the Escrow Release Deadline and immediately prior to the closing of the Business Combination, each Special Unit will automatically convert, without any further action on the part of the holder or payment of additional consideration, into one Apogee Unit, being comprised of one Apogee Common Share and one Apogee Warrant (with each Apogee Common Share and Apogee Warrant underlying such Apogee Unit entitling the holder thereof to receive one Resulting Issuer Common Share and one Resulting Issuer CAD$0.80 Warrant under the Business Combination pursuant to the terms of the Definitive Agreement).

The gross proceeds of the Brokered Offering, less: (a) 50% of Agents' Commission, and (b) all of the expenses of the Agents incurred in connection with the Brokered Offering, are currently being held in escrow by the Escrow Agent, along with the gross proceeds of the Non-Brokered Offering, pending the satisfaction of the Escrow Release Conditions. The funds held in escrow by the Escrow Agent, together with all interest and other income earned thereon, are referred to herein as the "**Escrowed Funds**".

Provided that the Escrow Release Conditions are satisfied on or prior to the Escrow Release Deadline, the Escrowed Funds will be released from escrow by the Escrow Agent as follows: (a) to the Agents, an amount equal to the 50% of the Agents' Commission and any expenses incurred by the Agents and not already paid by Halo in connection with the Brokered Offering; and (b) to the Resulting Issuer, an amount equal to the Escrowed Funds, less the foregoing deductions.

If the Escrow Release Conditions are not satisfied by September 30, 2018, each Subscription Receipt and Special Warrant will automatically convert, upon satisfaction of the Escrow Release Conditions, into 1.1 Apogee USA Units or Apogee Units, as applicable. If the Escrow Release Conditions are not satisfied by October 31, 2018, each Subscription Receipt and Special Warrant will automatically convert, upon satisfaction of the Escrow Release Conditions, into 1.2 Apogee USA Units or Apogee Units, as applicable.

If the Escrow Release Conditions have not been satisfied on or prior to the Escrow Release Deadline, the Escrowed Funds, together with any interest accrued thereon, shall be returned to the holders of the Subscription Receipts and Special Units on a pro rata basis and the Subscription Receipts and Special Units shall thereafter be cancelled. Apogee shall be responsible and liable to the holders of the Subscription Receipts and Special Units for any shortfall between the aggregate Subscription Receipts or Special Units price paid by the original purchasers of the Subscription Receipts or Special Units and the amount of the Escrowed Funds.

In consideration of the services provided by the Agents in connection with the Brokered Offering, the Company has paid the Agents: (a) a cash commission equal to 7.5% of the aggregate gross proceeds of the Brokered Offering, (b) a cash commission equal to 1.5% of the aggregate gross proceeds of the Non-Brokered Offering, and (c) a corporate finance fee of CAD$50,000 (collectively, the "**Agents' Commission**"). The Company has also issued the Agents a total of 2,289,961 Agents' Compensation Options, equal to 7.5% of the Offered Securities sold under the Brokered Offering and 1.5% of the Offered Securities sold under the Non-Brokered Offering. In addition, in connection with the Non-Brokered Offering, the Company has paid certain finders fees of CAD$129,360.00 and US$55,500.12 equal to 6% of the aggregate gross proceeds raised by such finders under the Non-Brokered Offering, and issued 502,432 Finders' Options, equal to 6% of the Offered Securities sold under the Non-Brokered Offering. Pursuant to the terms of the Definitive Agreement, each outstanding Agents' Compensation Option and Finders' Option will be exchanged for one Resulting Issuer Agents' Compensation Option or Resulting Issuer Finders' Option, as applicable, in connection with the Business Combination.

If, at any time after four months and one day have elapsed since the closing of the Business Combination, the value-weighted average price (the "**VWAP**") for the Resulting Issuer Common Shares on the NEO Exchange for any 20 consecutive trading days equals or exceeds CAD$2.50, the Resulting Issuer may at its sole discretion, subject to it issuing a press release announcing the acceleration, give notice to all holders of the Resulting Issuer Warrants by way of a written notice to the registered holder(s) of the Resulting Issuer Warrants (the "**Acceleration Notice**"), accelerate the expiry date of the Resulting Issuer Warrants to the date that is 30 days following the date of such Acceleration Notice (the "**Accelerated Expiry Date**").

THE HALO OREGON OFFERING

In conjunction with the Brokered Offering and Non-Brokered Offering, Halo is undertaking the Halo Oregon Offering of convertible promissory notes and warrants for up to approximately US$10,000,000, which will close in multiple tranches upon approval of the subscribers by the OLCC, with the final closing to occur prior to the consummation of the Business Combination. The funds raised from the Halo Oregon Offering are being directly funded to Halo.

The Halo Oregon Offering consists of convertible promissory notes ("**Halo Pre-RTO Notes**") bearing 10% simple interest that, upon satisfaction of the Escrow Release Conditions, will automatically convert into units (the "**Halo Pre-RTO Units**") consisting of 0.7407 Halo Common Shares and 0.7407 Halo Warrants at a conversion price per of CAD$0.40 per Halo Pre-RTO Unit. Upon completion of the Business Combination, each whole Halo Common Share and whole Halo Warrant will be exchanged into 1.35 Resulting Issuer Common Shares and 1.35 Resulting Issuer Warrants, with each whole Resulting Issuer Warrant exercisable into one Resulting Issuer Common Share at a price of CAD$0.80. The Halo Warrants will have substantially the same terms as the Apogee Warrants issuable on the conversion of the Special Units, including the acceleration right.

If the Halo Pre-RTO Notes have not yet converted as described above, the principal and accrued interest on the notes will be due and payable on the earlier of (a) December 28, 2018, or (b) a change of control of Halo.

In addition the Halo Oregon Offering includes a warrant (each, an "**Additional Warrant**") entitling the holder to acquire an additional 0.7407 Halo Common Shares for each CAD$0.40 of principal under the Halo Pre-RTO Notes purchased by holders in the Halo Oregon Offering. Upon the closing of the Business Combination, each Additional Warrant will be exchanged into one warrant of the Resulting Issuer entitling the thereof to purchase one Resulting Issuer Common Share at a price of CAD$0.50 with each such warrant exercisable until May 30, 2020. The

Additional Warrants will otherwise have substantially the same terms as the Apogee Warrants issuable on the conversion of the Special Units, including the acceleration right.

Pursuant to the terms of the Halo Oregon Offering, Halo has agreed to pay to eligible finders a cash commission of up to 9% of the gross proceeds raised in the Halo Oregon Offering or a combination of up to 6.0% cash compensation and agent compensation units equal to up to 6.0% of the Halo Units and Additional Warrants issued through the Halo Oregon Offering (with such compensation units to be issued upon conversion of the Halo Pre-RTO Notes) (the "**Oregon Finder Units**").

In addition, the Agents may be entitled to a commission on conversions of the Halo Pre-RTO Notes, to consist of a cash commission equal to 1% of the dollar amounts converted into Resulting Issuer Common Shares and Warrants, as well as a 1% warrant commission in Resulting Issuer Warrants exercisable at CAD$0.80 for each CAD$0.40 of Halo Pre-RTO Notes converted into Resulting Issuer Common Shares and Warrants. The actual number of Resulting Issuer Warrants issuable to the Agents under this arrangement is subject to negotiation prior to the completion of the Business Combination.

RISK FACTORS RELATING TO THE BUSINESS COMBINATION

In evaluating the Apogee Resolutions, Apogee Shareholders should carefully consider the following risk factors relating to the Business Combination. These risk factors are not a definitive list of all risk factors associated with the Business Combination. Additional risks and uncertainties, including those currently unknown or considered immaterial by Apogee, may also adversely affect the business of the Resulting Issuer following completion of the Business Combination. In addition to the risk factors described elsewhere in this Circular, the following are additional and supplemental risk factors which Apogee Shareholders should carefully consider before making a decision regarding approving the Apogee Resolutions.

There can be no certainty that the Business Combination will be completed

Completion of the Business Combination is subject to a number of conditions, certain of which may be outside the control of Apogee, including, without limitation, the requisite approvals of the Apogee Shareholders. There can be no assurance, nor can Apogee provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied or that the Business Combination will be completed as currently contemplated or at all. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of the Resulting Issuer.

If the Business Combination is not completed, the value of the Apogee Common Shares may decline to the extent that the current value reflects a market assumption that the Business Combination will be completed. In addition, Apogee and Halo will each remain liable for significant consulting, accounting and legal costs relating to the Business Combination and will not realize anticipated benefits of the Business Combination. If the Business Combination is not completed and the Board decides to seek another merger or business combination, there can be no assurance that it will be able to find a party that will agree to equivalent or more attractive terms than those of the Definitive Agreement.

Possible termination of the Definitive Agreement

Each of Apogee and Halo has the right to terminate the Definitive Agreement and the Business Combination in certain circumstances. Accordingly, there is no certainty, nor can Apogee provide any assurance, that the Definitive Agreement will not be terminated by either Apogee or Halo before the completion of the Business Combination. See "*The Definitive Agreement – Termination*" above.

Certain costs related to the Business Combination, such as consulting, accounting and legal fees must be paid by Apogee and Halo even if the Business Combination is not completed.

Following the completion of the Business Combination, the Resulting Issuer may issue additional equity securities

Following the completion of the Business Combination, the Resulting Issuer may issue equity securities to finance its activities. If the Resulting Issuer were to issue additional equity securities, the ownership interest of existing shareholders may be diluted and some or all of the Resulting Issuer's financial measures on a per share basis could be reduced. Moreover, as the Resulting Issuer's intention to issue additional equity securities becomes publicly known, the price of the Resulting Issuer's Shares may be materially adversely affected.

While the Business Combination is pending, Apogee is restricted from taking certain actions

The Definitive Agreement restricts Apogee from taking specified actions until the Business Combination is completed without the consent of Halo. These restrictions may prevent Apogee from pursuing attractive business opportunities that may arise prior to the completion of the Business Combination.

GENERAL INFORMATION CONCERNING THE MEETING AND VOTING

Time, Date and Place

The Meeting will be held at Suite 800, Wildeboer Dellelce Place, 365 Bay Street, Toronto, Ontario M5H 2V1 on September 12, 2018 at 10:00 a.m. (Toronto time) as set forth in the Apogee Notice of Meeting.

Record Date, Voting Shares and Principal Shareholders

An Apogee Common Shareholder of record at the close of business on the Apogee Record Date who either personally attends the Meeting or who has completed and delivered a Apogee Proxy in the manner and subject to the provisions described herein, shall be entitled to vote or to have such shareholder's Apogee Common Shares voted at the Meeting, or any adjournment or postponement thereof.

Apogee's authorized capital consists of an unlimited number of Apogee Common Shares without par value, and an unlimited number of preferred shares without par value. As at the Apogee Record Date, there were 8,975,607 Apogee Common Shares issued and outstanding, each share carrying the right to one vote on each matter to come before the Meeting. There are no preferred shares outstanding.

To the knowledge of the directors and senior officers of Apogee, as of the date of this Circular, no person owns, or directs or controls, directly or indirectly, 10% or more of the issued and outstanding Apogee Common Shares, other than G. Scott Paterson, the Chairman of the Board, who owns 1,005,515 Apogee Common Shares representing approximately 11.2% of the Apogee Common Shares issued and outstanding.

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by management of Apogee, for use at the Meeting and any adjournment or postponement thereof for the purposes set forth in the accompanying Apogee Notice of Meeting. It is expected that the solicitation of proxies for the Meeting will be made primarily by mail; however, directors, officers and employees of Apogee may also solicit proxies by way of the internet, telephone or telecopier or in person in respect of the Meeting. The solicitation of proxies for the Meeting is being made by or on behalf of management of Apogee and Apogee will bear the costs of the solicitation of proxies for the Meeting. In addition, Apogee may reimburse Intermediaries for their reasonable expenses in forwarding proxies and accompanying materials to Beneficial Apogee Shareholders.

Voting by Proxies

Enclosed with this Circular being sent to Apogee Shareholders is the Apogee Proxy. The persons named in the Apogee Proxy are officers, directors and/or other representatives of Apogee. Apogee Shareholders whose

names appear on the records of Apogee as the Registered Apogee Shareholders may choose to vote by proxy whether or not they are able to attend the Meeting in person. **A Registered Apogee Common Shareholder entitled to vote at the Meeting has the right to appoint a person or company (who need not be an Apogee Common Shareholder) other than the persons already named in the Apogee Proxy to represent such Apogee Common Shareholder at the Meeting. A Registered Apogee Common Shareholder will be able to exercise this right by striking out the printed names of such persons and inserting the name of such other person they wish to appoint as their representative in the blank space provided therein for that purpose.** In order to be valid, a Apogee Proxy must be received by Apogee's registrar and transfer agent, Odyssey, by hand or mail at 835 – 409 Granville St., Vancouver, BC, V6C 1T2, or by fax within North America at 800-517-4553 or outside North America by emailing proxy@odysseytrust.com, no later than 10:00 a.m. (Toronto time) on September 10, 2018 or, in the event of an adjournment or postponement of the Meeting, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the adjourned or postponed Meeting.

In order to be effective, the Apogee Proxy must be executed by a Registered Apogee Common Shareholder, exactly as his or her name appears on the register of Apogee Shareholders. Additional execution instructions are set out in the notes to the Apogee Proxy. The Apogee Proxy must also be dated where indicated. If the date is not completed, the Apogee Proxy will be deemed to be dated on the day on which it was mailed to Apogee Shareholders.

Management representatives designated in the Apogee Proxy will vote the Apogee Common Shares in respect of which they are appointed proxy in accordance with the instructions of the Apogee Common Shareholder as indicated on the Apogee Proxy, and, if the Apogee Common Shareholder specifies a choice with respect to any matter to be acted upon, the Apogee Common Shares will be voted accordingly. In the absence of such direction, such Apogee Common Shares will be voted by the Apogee representatives named in the Apogee Proxy in favour of the motions proposed to be made at the Meeting as set forth in this Circular and will be voted by such representatives on all other matters which may come before the Meeting in their discretion.

The Apogee Proxy, when properly signed, confers discretionary voting authority on those persons designated therein with respect to amendments or variations to the matters identified in the Apogee Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, Apogee's management does not know of any such amendments, variations or other matters. However, if such amendments, variations or other matters which are not now known to Apogee's management should properly come before the Meeting, the persons named in the Apogee Proxy will be authorized to vote the Apogee Common Shares represented thereby in their discretion.

Beneficial Apogee Shareholders

The information set forth in this section is of significant importance to many Apogee Shareholders as a substantial number of Apogee Shareholders do not hold Apogee Common Shares in their own name.

Beneficial Apogee Shareholders should note that only Apogee Proxies deposited by Registered Apogee Shareholders can be recognized and acted upon at the Meeting.

If Apogee Common Shares are listed in an account statement provided to an Apogee Common Shareholder by an Intermediary, such as a brokerage firm, then, in almost all cases, those Apogee Common Shares will not be registered in the Apogee Common Shareholder's name on the records of Apogee. Such Apogee Common Shares will more likely be registered under the name of the Apogee Common Shareholder's Intermediary or an agent of that Intermediary, and consequently the Apogee Common Shareholder will be a Beneficial Apogee Common Shareholder. In Canada, the vast majority of such shares are registered under the name CDS & Co. (being the registration name for the CDS Clearing and Depositary Services Inc., which acts as nominee for many Canadian brokerage firms). The Apogee Common Shares held by Intermediaries or their agents can only be voted (for or against resolutions) upon the instructions of the Beneficial Apogee Common Shareholder. Without specific instructions, an Intermediary and its agents are prohibited from voting Apogee Common Shares for the Intermediary's clients. Therefore, Beneficial Apogee Shareholders should ensure that instructions respecting the voting of their Apogee Common Shares are communicated to the appropriate person.

The Meeting Materials are being sent to both Registered Apogee Shareholders and Beneficial Apogee Shareholders. If you are a Beneficial Apogee Common Shareholder and Apogee or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, Apogee (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Although Beneficial Apogee Shareholders may not be recognized directly at the Meeting for the purpose of voting Apogee Common Shares registered in the name of their broker, agent or nominee, a Beneficial Apogee Common Shareholder may attend the Meeting as a proxyholder for a Registered Apogee Common Shareholder and vote their Apogee Common Shares in that capacity. Beneficial Apogee Shareholders who wish to attend the Meeting and indirectly vote their Apogee Common Shares as proxyholder for a Registered Apogee Common Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Apogee Common Shares as a proxyholder.

There are two kinds of Beneficial Apogee Shareholders, those who object to their name being made known to the issuers of securities that they own ("**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of securities that they own knowing who they are ("**NOBOs**" for Non-Objecting Beneficial Owners).

Non-Objecting Beneficial Owners

Pursuant to NI 54-101, issuers can obtain a list of their NOBOs from Intermediaries for distribution of proxy-related materials directly to NOBOs. Apogee is sending the Meeting Materials directly to its NOBOs in connection with the Meeting. As a result, NOBOs of Apogee can expect to receive a scannable VIF from Apogee's registrar and transfer agent, Odyssey. These VIFs are to be completed and returned to Odyssey in the envelope provided or by facsimile. In addition, Odyssey provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Odyssey will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Apogee Common Shares represented by the VIFs they receive.

If you are a Beneficial Apogee Common Shareholder and Apogee or its agent has sent the Meeting Materials to you directly, please be advised that your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding your securities on your behalf. By choosing to send the Meeting Materials to you directly, Apogee (and not the Intermediary holding securities your behalf) has assumed responsibility for (i) delivering the proxy-related materials to you; and (ii) executing your proper voting instructions as specified in the VIF.

Objecting Beneficial Owners

Beneficial Apogee Shareholders who are OBOs should follow the instructions of their Intermediary carefully to ensure that their Apogee Common Shares are voted at the Meeting.

Applicable regulatory rules require Intermediaries to seek voting instructions from OBOs in advance of shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by OBOs in order to ensure that their Apogee Common Shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to an OBO by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the OBO.

The form of proxy provided to OBOs by Intermediaries will be similar to the Apogee Proxy provided to Registered Apogee Shareholders. However, its purpose is limited to instructing the Intermediary on how to vote your Apogee Common Shares on your behalf. The majority of Intermediaries now delegate responsibility for obtaining instructions from OBOs to Broadridge. Broadridge typically supplies voting instruction forms, mails those

forms to OBOs, and asks those OBOs to return the forms to Broadridge or follow specific telephonic or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the meeting. An OBO receiving a voting instruction form from Broadridge cannot use that form to vote Apogee Common Shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure that such Apogee Common Shares are voted.

Revocation of Apogee Proxies

An Apogee Common Shareholder who has given an Apogee Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, an Apogee Proxy may be revoked by instrument in writing executed by the Apogee Common Shareholder or by his or her attorney authorized in writing, or, if the Apogee Common Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited with Apogee's registrar and transfer agent, Odyssey, by hand or mail at 835 – 409 Granville St., Vancouver, BC, V6C 1T2, or by fax within North America at 800-517-4553 or outside North America by emailing proxy@odysseytrust.com, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement of it, at which the Apogee Proxy is to be used, or to the Chair of the Meeting on the day of the Meeting or any adjournment or postponement of it. A revocation of an Apogee Proxy does not affect any matter on which a vote has been taken prior to the revocation.

Matters to be Considered

At the Meeting, Apogee Shareholders will be asked to consider and vote upon each of the Apogee Resolutions, being (i) the Board Resolution; (ii) the Apogee Director Election Resolution; (iii) the Apogee Auditor Resolution; (iv) the Option Plan Resolution; (v) the Business Combination Resolution; (vi) Resulting Issuer Board Resolution; (vii) the Resulting Issuer Director Election Resolution; (viii) the Equity Incentive Plan Resolution; and (ix) such other matters as may properly come before the Meeting.

The Board unanimously recommends that Apogee Shareholders vote IN FAVOUR of each Apogee Resolution. See "*The Business Combination – Recommendation of the Board"* above and *"Particulars of Matters to be Acted Upon at the Meeting*" below. It is a condition of the completion of the Business Combination that certain of the Apogee Resolutions are approved by the Apogee Shareholders at the Meeting.

Quorum and Votes Required for Certain Matters

A quorum at meetings of Apogee Shareholders consists of two or more persons present and being, or representing by proxy, two or more Apogee Shareholders, entitled to attend and vote at such meeting.

Each of the other Apogee Resolutions require the affirmative vote of not less than a majority of the votes cast by Apogee Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

Interest of Certain Persons or Companies in Matters to be Acted Upon

Other than as disclosed herein, no director or executive officer of Apogee who has held such position at any time since the beginning of Apogee's last financial year and associates or affiliates of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

(i) Board Resolution

The Board Resolution sets the number of directors of Apogee at three directors for the ensuing year.

IN THE EVENT THAT THE RESULTING ISSUER BOARD RESOLUTION IS APPROVED AT THE MEETING AND THE BUSINESS COMBINATION IS SUCCESSFULLY COMPLETED, THE NUMBER OF DIRECTORS OF THE RESULTING ISSUER WILL BE SIX AND THE BOARD WILL BE EMPOWERED TO DETERMINE THE NUMBER OF DIRECTORS ON THE RESULTING ISSUER BOARD.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Apogee Proxy will vote the Apogee Common Shares represented by such form of Apogee Proxy FOR the Board Resolution. If you do not specify how you want your Apogee Common Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Apogee Proxy will cast the votes represented by your proxy at the Meeting FOR the Board Resolution.

The Board unanimously recommends that Apogee Shareholders vote FOR the Board Resolution at the Meeting.

(ii) Apogee Director Election Resolution

At the Meeting, Apogee Shareholders will be asked to elect three directors (the "**Apogee Nominees**"). The following table provides the names of the Apogee Nominees and information concerning them. Apogee Shareholders may vote for all of the Apogee Nominees, some of them and withhold for others, or withhold from all of them. The persons in the enclosed form of Apogee Proxy intend to vote for the election of the Apogee Nominees. Management of Apogee does not contemplate that any of the Apogee Nominees will be unable to serve as a director. Each director will hold office until the next annual meeting or until his successor is duly elected unless his office is earlier vacated in accordance with the articles of Apogee or until the election of the Resulting Issuer Board Nominees on completion of the Business Combination.

Name, Province and Country of ordinary residence[1], and positions held with Apogee	Principal occupation and, IF NOT an elected Director, principal occupation during the past five years[1]	Date(s) serving as a Director[2]	No. of Apogee Common Shares beneficially owned or controlled[1]
G. Scott Paterson Ontario, Canada Director	Mr. Paterson is a director and Chairman of the Board of Apogee. In addition, Mr. Paterson serves as a director of Lions Gate Entertainment (NYSE:LGF), chairs that company's Audit & Risk Committee, is a director of Symbility Solutions Inc. (TSXV:SY), is the Executive Chairman of FutureVault Inc. and is Chairman of Engagement Labs Inc. (TSXV:EL). Mr. Paterson was instrumental in the founding, and was Chairman and subsequently Vice Chairman, of JumpTV from 2005 until 2015. JumpTV acquired NeuLion Inc. (TSX:NLN) in 2008 and undertook a name change at that time. Mr. Paterson is also Chairman of the Merry Go Round Children's Foundation and a Governor of Ridley College. From 1998 to December 2001, Mr. Paterson was Chairman and CEO of Yorkton Securities Inc. and has served as Chairman of the Canadian Venture Stock Exchange, Vice Chairman of the Toronto Stock Exchange, and a director of the Investment Dealers Association. In 2009, Mr. Paterson obtained the ICD.D designation by graduating from the Rotman Institute of Corporate Directors at the University of Toronto and in 2014, Mr. Paterson earned a Certificate in Entertainment Law from Osgoode Hall.	Since December 9, 2010	1,005,515 (~11.2%)[3]
David Gower Ontario, Canada Director	Mr. Gower was formerly the President and CEO of Apogee from 2007 to 2011. Since 2011 Mr. Gower has acted as a consultant to various TSX and TSX Venture Exchange listed mining companies. Mr. Gower is a Professional Geologist with, and was previously the Global Head of Nickel Exploration for, Falconbridge Inc. from 2002 to 2006. Mr. Gower has also served as the General Manager of Copper and Zinc Exploration - Northern Hemisphere and Australasia, for Noranda Inc. (now Xstrata). Mr. Gower holds a B.Sc. in Geology from St. Francis Xavier University and a M.Sc. in Geology from Memorial University.	Since April 27, 2007	230,000 (~2.6%)

Peter Bojtos Colorado, USA Director	Mr. Bojtos has over 40 years of international experience in the mining industry from exploration through feasibility study to mine construction and decommissioning. He has held a number of executive officer positions with resource companies during the past 25 years. In addition, since 1995, he has been an independent director of several mining and exploration companies.	Since December 6, 2006	87,502 (~1%)

Notes:

(1) This information, not being within the knowledge of Apogee, has been furnished by the respective nominees. Information provided as at the Apogee Record Date.

(2) Apogee does not set expiry dates for the terms of office of its directors. Each director of Apogee holds office as long as he is elected annually by Apogee Shareholders at annual general meetings or until his successor is duly elected, unless his office is earlier vacated in accordance with the articles of Apogee.

(3) Excludes common shares held by the Paterson Family Trust ("**PFT**") of which Mr. Paterson is not a trustee; as a result he has no control over the shares held by PFT.

Other than as disclosed below, none of the Apogee Nominees:

A. is as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company, including any personal holding company of such director, chief executive officer or chief financial officer, that was subject to an order that was issued while that person was acting in that capacity, or was subject to an order, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in such capacity;

B. is as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company, including any personal holding company of such director or executive officer, 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 the assets of such company;

C. has within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such individual; or

D. has been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision,

other than:

- in December 2001, Mr. Paterson reached a voluntary settlement with the Ontario Securities Commission in respect to administrative proceedings that included a suspension of his registration for two years and a CAD$1 million voluntary payment. There were no allegations that Mr. Paterson had violated any securities law, statute, regulation or policy statement; and

- on August 21, 2009 and on March 8, 2010, while Mr. Bojtos was a director of Apolo Gold & Energy Inc. ("**Apolo**"), Apolo was subject to a cease trade order in British Columbia for being in default of certain filing obligations. The defaults were remedied and the orders were revoked on October 1, 2009, and March 9, 2010, respectively. On December 15, 2009, the British Columbia Securities Commission issued a cease trade order resulting from Mr. Bojtos' failure to file an insider report disclosing his beneficial ownership of, and control or direction over, securities of Apolo. Mr. Bojtos subsequently filed his insider report on June 30, 2010, and resigned as a director of Apolo on November 3, 2010.

IN THE EVENT THAT THE DIRECTORS LISTED ABOVE UNDER THE HEADING RESULTING ISSUER DIRECTOR ELECTION RESOLUTION ARE CONDITIONALLY ELECTED AT THE MEETING AND THE BUSINESS COMBINATION IS SUCCESSFULLY COMPLETED, THE DIRECTORS LISTED ABOVE (OTHER THAN MR. PATERSON) WOULD CEASE TO BE DIRECTORS OF APOGEE AND THE NEW DIRECTORS WILL SERVE AS DIRECTORS OF THE RESULTING ISSUER IN THEIR PLACE.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Apogee Proxy will vote the Apogee Common Shares represented by such form of Apogee Proxy FOR the Apogee Director Election Resolution. If you do not specify how you want your Apogee Common Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Apogee Proxy will cast the votes represented by your proxy at the Meeting FOR the Apogee Director Election Resolution.

The Board unanimously recommends that Apogee Shareholders vote FOR the Apogee Director Election Resolution at the Meeting.

(iii) Apogee Auditor Resolution

Apogee's auditors are UHY McGovern Hurley LLP, Chartered Professional Accountants ("**UHY McGovern**"). At the Meeting, Apogee Shareholders will be asked to approve the re-appointment of UHY McGovern as Apogee's auditor for the ensuing year, and to authorize the directors to fix the auditor's remuneration.

IN THE EVENT THAT UHY MCGOVERN IS APPOINTED AT THE MEETING AND THE BUSINESS COMBINATION IS SUCCESSFULLY COMPLETED, UHY MCGOVERN WOULD CONTINUE TO SERVE AS THE AUDITORS OF THE RESULTING ISSUER.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Apogee Proxy will vote the Apogee Common Shares represented by such form of Apogee Proxy FOR the Apogee Auditor Resolution. If you do not specify how you want your Apogee Common Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Apogee Proxy will cast the votes represented by your proxy at the Meeting FOR the Apogee Auditor Resolution.

The Board unanimously recommends that Apogee Shareholders vote FOR the Apogee Auditor Resolution at the Meeting.

(iv) Option Plan Resolution

At the Meeting, Apogee Shareholders will be asked to re-approve the existing stock option plan of Apogee (the "**Apogee Option Plan**") which was approved by the Apogee Shareholders on August 9, 2016. There have been no changes to the Apogee Option Plan since it was previously approved by the Apogee Shareholders. In accordance with the policies of the NEO Exchange, a plan with a rolling ten percent (10%) maximum must be confirmed by shareholders every three years.

The following information is intended as a brief description of the Apogee Option Plan and is qualified in its entirety by the full text of the Apogee Option Plan, which will be available for review at the Meeting.

The Apogee Option Plan is designed to advance the interests of Apogee by encouraging employees, officers and consultants to have equity participation in Apogee through the acquisition of Apogee Common Shares. A copy of the Apogee Option Plan is attached at Schedule "B" hereto. The following is a summary of the terms of the proposed Apogee Option Plan, which is qualified in its entirety by the provisions of the Apogee Option Plan.

The Apogee Option Plan was established as a "rolling" stock option plan under the policies of the TSX Venture Exchange as, under the Apogee Option Plan, Apogee is authorized to grant stock options of up to 10% of the issued and outstanding Apogee Common Shares at the time of the stock option grant, from time to time, with no vesting provisions. As of the Record Date, there are no stock options outstanding under the Apogee Option Plan.

Directors, officers, employees and certain consultants shall be eligible to receive stock options under the Apogee Option Plan. Upon the termination of an optionholder's engagement with Apogee, the cancellation or early vesting of any stock option shall be in the discretion of the Board. In general, Apogee expects that stock options will be cancelled 90 days following an optionholder's termination from Apogee. Stock options granted under the Apogee Option Plan shall not be assignable.

The terms and conditions of each option granted under the Apogee Option Plan will be determined by the Board. Options will be priced in the context of the market and in compliance with applicable securities laws and NEO Exchange guidelines. Vesting terms will be determined at the discretion of the Board. The Board shall also determine the term of stock options granted under the Apogee Option Plan, provided that no stock option shall be outstanding for a period greater than five years.

The Board believes that, except for certain material changes to the Apogee Option Plan, it is important that the Board has the flexibility to make changes to the Apogee Option Plan without shareholder approval, including appropriate adjustments to outstanding options in the event of certain corporate transactions, the addition of provisions requiring forfeiture of options in certain circumstances, specifying practices with respect to applicable tax withholdings and changes to enhance clarity or correct ambiguous provisions.

The Apogee Option Plan does not provide for the transformation of stock options granted under the Apogee Option Plan into stock appreciation rights involving the issuance of securities from the treasury of Apogee.

Apogee will not provide financial assistance to any optionholder to facilitate the exercise of options under the Apogee Option Plan.

Apogee is required to obtain the approval of its Shareholders to any stock option plan that is a "rolling" plan yearly at Apogee's annual meeting of Shareholders.

Please see "*Schedule "B" – Apogee Stock Option Plan"* for a copy of the existing Apogee Option Plan.

IN THE EVENT THAT THE APOGEE OPTION PLAN IS CONDITIONALLY APPROVED AT THE MEETING AND THE BUSINESS COMBINATION IS SUCCESSFULLY COMPLETED, THE APOGEE OPTION PLAN WILL BE CANCELLED AND REPLACED BY THE NEW EQUITY INCENTIVE PLAN, IF APPROVED

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Apogee Proxy will vote the Apogee Common Shares represented by such form of Apogee Proxy FOR the Option Plan Resolution. If you do not specify how you want your Apogee Common Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Apogee Proxy will cast the votes represented by your proxy at the Meeting FOR the Option Plan Resolution.

The Board unanimously recommends that Apogee Shareholders vote FOR the Option Plan Resolution at the Meeting.

(v) Business Combination Resolution

Apogee has been a listed company seeking new business opportunities since 2016. Halo is a United States

based manufacturer of cannabis oil and concentrates that cultivates cannabis plants and utilizes its proprietary technology to extract oils and manufacture concentrates in Oregon. Halo operates directly in Oregon, has subsidiaries for its planned licensed recreational cannabis operations in California and a management agreement with a Nevada company pursuant to which it operates in the Nevada cannabis market. Detailed information regarding Halo and its business is contained in *"Schedule "C" – Information Concerning Halo"*. It is intended that Apogee will acquire all of the Halo Securities pursuant to the Business Combination, which transaction will constitute a "Reverse Takeover" of Apogee within the meaning of Part IX of the NEO Exchange's listing manual.

Pursuant to the Business Combination, it is intended that Apogee will acquire, by way of a merger between Apogee USA and Halo, all of the issued and outstanding Halo Securities from the current holders thereof in exchange for securities of the Resulting Issuer. The Definitive Agreement provides that prior to the completion of the Business Combination, Apogee will issue securities of the Resulting Issuer in exchange for all of the Halo Securities outstanding, as detailed under "*The Financing*". Upon completion of the Business Combination, Apogee is referred to in this Circular as the "**Resulting Issuer**". It is anticipated that, upon completion of the Business Combination, the Resulting Issuer will be named "Halo Labs Inc."

Shareholders are urged to obtain tax advice from their own advisors in respect of the Business Combination having regard to their own circumstances.

For further information relating to the corporate structure, directors and officers of the Resulting Issuer and other matters relating to the Resulting Issuer, see generally *"Schedule "D" – Information Concerning the Resulting Issuer"*.

At the Meeting, the resolution (the "**Business Combination Resolution**") attached hereto as Schedule "E", with or without variation, will be placed before the Apogee Shareholders in order to approve the Business Combination.

For the Business Combination to be completed, the Business Combination Resolution must, with or without variation, receive a simple majority of the votes of Apogee Shareholders voting in person or by proxy at the meeting.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Apogee Proxy will vote the Apogee Common Shares represented by such form of Apogee Proxy FOR the Business Combination Resolution. If you do not specify how you want your Apogee Common Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Apogee Proxy will cast the votes represented by your proxy at the Meeting FOR the Business Combination Resolution.

The Board unanimously recommends that Apogee Shareholders vote FOR the Business Combination Resolution at the Meeting.

(vi) Amendment Resolution

In connection with the Business Combination, at the Meeting, the Apogee Shareholders will be asked to approve a special resolution authorizing and approving an amendment to Apogee's articles of incorporation to: (i) effect the Name Change, and (ii) effect the Share Reorganization; to be implemented only if all conditions precedent to the Business Combination have been satisfied or waived.

Name Change

In connection with the Business Combination, it is necessary for Apogee to obtain Apogee Shareholder approval of the Name Change.

The Amendment Resolution permits the Board, without further approval by the Apogee Shareholders, to choose not to proceed with the Name Change if, in the discretion of the Board, it is deemed desirable to do so. Management of Apogee and the Board believe that the Name Change is in the best interests of the Corporation as it will facilitate the completion of the Business Combination.

Share Reorganization

Deletion of Existing Preferred Shares

In connection with the Business Combination, to simplify the share capital of the Resulting Issuer, it is desirable to remove the existing class of preferred shares of Apogee, none of which are outstanding, from Apogee's articles.

The Amendment Resolution permits the Board, without further approval by the Apogee Shareholders, to choose not to proceed with the removal of the existing preferred shares if, in the discretion of the Board, it is deemed desirable to do so. Management of Apogee and the Board believe that the removal of the existing preferred shares is in the best interests of Apogee as it will simplify the capital structure of the Resulting Issuer and avoid confusion with the Resulting Issuer Restricted Shares to be created.

Creation of Resulting Issuer Restricted Shares

In connection with the Business Combination, it is necessary for Apogee to obtain Apogee Common Shareholder approval of the creation of the Resulting Issuer Restricted Shares.

The authorized capital of Apogee currently consists of an unlimited number of Apogee Common Shares and unlimited number of preferred shares, of which 8,975,607 Apogee Common Shares and no preferred shares are issued and outstanding as of the date of this Circular. It is proposed that the articles of Apogee be amended to delete the existing class of preferred shares and add a new class of convertible restricted voting shares to be designated as Resulting Issuer Restricted Shares. The restrictions on conversion of the Resulting Issuer Restricted Shares are designed to prevent the Resulting Issuer from becoming a Domestic Issuer (as defined below) on completion of the Business Combination or thereafter. Generally, the Resulting Issuer will be a "**Domestic Issuer**" if: (A) 50% or more of the holders of Resulting Issuer Common Shares are U.S. Persons; and (B) either (i) the majority of the executive officers or directors of the Resulting Issuer are United States citizens or residents; (ii) the Resulting Issuer has 50% or more of its assets located in the United States; or (iii) the business of the Resulting Issuer is principally administered in the United States. As there are no restrictions on issue or transfer of Resulting Issuer Common Shares, there is no guarantee that the Resulting Issuer will not become a Domestic Issuer in the future. Unlike the Resulting Issuer Common Shares, the Resulting Issuer Restricted Shares will not entitle the holder to exercise voting rights in respect of the election of directors of the Resulting Issuer. See "*Summary Description of Resulting Issuer Restricted Shares*" below. It is proposed that the new Resulting Issuer Restricted Shares initially will be issued to certain shareholders of Halo who are resident in the United States. Issuing Resulting Issuer Restricted Shares to these U.S. Persons reduces the likelihood that the Resulting Issuer will become a Domestic Issuer on completion of the Business Combination.

Additional details of the Resulting Issuer Restricted Shares are described below, and Apogee Shareholders are directed to the full text of the rights and restrictions of the Resulting Issuer Restricted Shares attached to this Circular as Schedule "I".

Capitalized terms used in this section of the Circular without being defined herein have the meaning ascribed to those terms in Schedule "I".

Summary Description of Resulting Issuer Restricted Shares

The holders of Resulting Issuer Restricted Shares will be entitled to receive notice of and to attend and vote at all meetings of the shareholders of Resulting Issuer and each holder of Resulting Issuer Restricted Shares will have the right to one vote for each Resulting Issuer Restricted Shares in person or by proxy at all meetings of the shareholders of the Resulting Issuer, except for the purpose of electing directors of the Resulting Issuer, in which case the holders of the Resulting Issuer Restricted Shares will not be entitled to vote.

The holders of the Resulting Issuer Restricted Shares will be entitled to receive such dividends as may be granted to holders of the Resulting Issuer Common Shares in any financial year as the board of directors of the Resulting Issuer may by resolution determine. All dividends which the Resulting Issuer Board may declare on the

Resulting Issuer Common Shares and the Resulting Issuer Restricted Shares shall be declared and paid in equal amounts per share on all Resulting Issuer Common Shares and Resulting Issuer Restricted Shares at the time outstanding.

In the event of a Liquidation Event, the holders of the Resulting Issuer Restricted Shares will participate ratably in equal amounts per share as the holders of the Resulting Issuer Common Shares, without preference or distinction, in the remaining property and assets of the Resulting Issuer.

Subject to certain exceptions set out in the articles of the Resulting Issuer, in the event an offer is made to all or substantially all of the holders of Resulting Issuer Common Shares to purchase Resulting Issuer Common Shares, the holder of each Resulting Issuer Restricted Shares may require the Resulting Issuer to redeem their Resulting Issuer Restricted Shares at the applicable redemption price, which shall be the price at which the offer is made to the holders of the Resulting Issuer Common Shares.

In addition, subject to certain restrictions, each of the Resulting Issuer Restricted Shares will be convertible into one Resulting Issuer Common Share, without the payment of any additional consideration, at the option of the holder of the Resulting Issuer Restricted Shares at any time after the date that is the three year anniversary of the date of issuance of such Resulting Issuer Restricted Share.

The Amendment Resolution permits the Board, without further approval by the Apogee Shareholders, to choose not to proceed with the creation of the Resulting Issuer Restricted Shares if, in the discretion of the Board, it is deemed desirable to do so. Management of Apogee and the Board believe that the creation of the Resulting Issuer Restricted Shares is in the best interests of the Corporation as it will facilitate the completion of the Business Combination.

At the Meeting, the resolution (the "**Amendment Resolution**") attached hereto as Schedule "H", with or without variation, will be placed before the Apogee Shareholders in order to approve the Name Change and the Share Reorganization.

For the Name Change and the Share Reorganization to be completed, the Amendment Resolution must, with or without variation, receive two-thirds (2/3) of the votes of Apogee Shareholders voting in person or by proxy at the Meeting.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Apogee Proxy will vote the Apogee Common Shares represented by such form of Apogee Proxy FOR the Amendment Resolution. If you do not specify how you want your Apogee Common Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Apogee Proxy will cast the votes represented by your proxy at the Meeting FOR the Amendment Resolution.

The Board unanimously recommends that Apogee Shareholders vote FOR the Amendment Resolution at the Meeting.

(vii) Resulting Issuer Board Resolution

The Resulting Issuer Board Resolution is by its terms conditional and effective only upon the completion of the Business Combination.

Pursuant to section 125(3) of the OBCA, where a minimum and maximum number of directors of a corporation is provided for in its articles, the number of directors of the corporation and the number of directors to be elected at the annual meeting of shareholders of the corporation may be determined by a resolution of the directors of the corporation if a special resolution of the shareholders of the corporation empowers the directors to determine such number. Currently, the articles provide that the minimum number of directors shall be three and the maximum number of directors shall be 15.

Should the Resulting Issuer Director Election Resolution be approved at the Meeting, there will be six

directors of the Resulting Issuer; however, the Board believes that the appropriate size of the Resulting Issuer Board is seven**.** Therefore, the Board has agreed that Mr. Paterson shall have the right to recommend for nomination a seventh director, subject to Board approval. Mr. Paterson intends to make this recommendation following completion of the Business Combination. Accordingly, at the Meeting, the Apogee Shareholders are being asked to approve and adopt a special resolution empowering the directors to determine, from time to time, by resolution of the directors, the number of directors of the Resulting Issuer.

At the Meeting, the resolution (the "**Resulting Issuer Board Resolution**") attached hereto as Schedule "J", with or without variation, will be placed before the Apogee Shareholders in order to be approved.

The Resulting Issuer Board Resolution must, with or without variation, receive two-thirds (2/3) of the votes of Apogee Shareholders voting in person or by proxy at the Meeting.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Apogee Proxy will vote the Apogee Common Shares represented by such form of Apogee Proxy FOR the Resulting Issuer Board Resolution. If you do not specify how you want your Apogee Common Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Apogee Proxy will cast the votes represented by your proxy at the Meeting FOR the Resulting Issuer Board Resolution.

The Board unanimously recommends that Apogee Shareholders vote FOR the Resulting Issuer Board Resolution at the Meeting.

(viii) Resulting Issuer Director Election Resolution

At the Meeting, the Apogee Shareholders will be asked to elect, conditional and effective only upon the completion of the Business Combination, G. Scott Paterson, Kiran Sidhu, Fred Leigh, Andreas Met, Peter McRae, and Philip van den Berg (collectively, the "**Resulting Issuer Board Nominees**") as directors of the Resulting Issuer.

Management of Apogee does not contemplate that any of the Resulting Issuer Board Nominees will be unable to serve as a director upon the completion of the Business Combination.

See *"Schedule "D" – Information Concerning the Resulting Issuer – Board and Management – Biographies*" for biographies of each of the Resulting Issuer Board Nominees.

It is a condition precedent to the completion of the Business Combination that the Apogee Shareholders approve the Resulting Issuer Director Election Resolution. If the Resulting Issuer Director Election Resolution does not receive the requisite approval, the Business Combination will not proceed, unless such condition precedent is waived by Halo.

THE RESULTING ISSUER DIRECTOR ELECTION RESOLUTION WILL ONLY BE EFFECTIVE IN THE EVENT THAT THE BUSINESS COMBINATION IS SUCCESSFULLY COMPLETED.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Apogee Proxy will vote the Apogee Common Shares represented by such form of Apogee Proxy FOR the Resulting Issuer Director Election Resolution. If you do not specify how you want your Apogee Common Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Apogee Proxy will cast the votes represented by your proxy at the Meeting FOR the Resulting Issuer Director Election Resolution.

The Board unanimously recommends that Apogee Shareholders vote FOR the Resulting Issuer Director Election Resolution at the Meeting.

(ix) Equity Incentive Plan Resolution

In connection with the Business Combination, and in particular due to the preponderance of employees of Halo that are residents of the United States, the Resulting Issuer proposes to adopt a new equity incentive plan (the "**New Equity Incentive Plan**") to replace the Apogee Option Plan, subject to Apogee Common Shareholder approval.

To be effective, the Equity Incentive Plan Resolution requires the affirmative vote of not less than a majority of the votes cast by Apogee Shareholders present in person or represented by proxy and entitled to vote at the Meeting. For purposes of approval of the Equity Incentive Plan Resolution, some of the current officers, directors or insiders of Apogee will be eligible to participate in the New Equity Incentive Plan and thus their Apogee Common Shares will be excluded in determining whether the Equity Incentive Plan Resolution has been approved.

Shareholder approval of the New Equity Incentive Plan is necessary for certain purposes, including for the Resulting Issuer to facilitate grants of incentive stock options for purposes of Section 422 of the Code. If Apogee Shareholders do not approve the New Equity Incentive Plan, the New Equity Incentive Plan will not go into effect.

Summary of New Equity Incentive Plan

The principal features of the New Equity Incentive Plan are summarized below. Except for the term "Resulting Issuer", capitalized terms in this summary are defined in the New Equity Incentive Plan, a copy of which is attached to this Circular as Schedule "G".

Purpose

The Committee is authorized to grant Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Deferred Stock Units, or Other Stock-Based Awards granted under the Plan, which may be denominated or settled in Shares, cash or in other forms.

The purpose of the Plan is to attract, retain and reward those employees, directors and other individuals who are expected to contribute significantly to the success of the Corporation and its Affiliates, to incentivize such individuals to perform at the highest level, to strengthen the mutuality of interests between such individuals and the Corporation's shareholders and, in general, to further the best interests of the Corporation and its shareholders.

Options

The Committee is authorized to grant Options to Participants of the Plan.

The purchase price per Resulting Issuer Common Share under an Option shall be determined by the Committee; provided, however, that, except subject to certain exceptions described in the Plan, such purchase price shall not be less than 100% of the Fair Market Value (as defined in the Plan) of a Share on the date of grant of such Option. With the approval of the Committee, a participant may elect to exercise an Option, in whole or in part, without payment of the aggregate Option price due on such exercise by electing to receive Shares equal in value to the difference between the Option price and the Fair Market Value on the date of exercise (any such exercise a "**Cashless Exercise**") computed in accordance with the Plan.

The equity value of Options (as such term is defined in the Plan) granted to a non-employee director, within a one-year period, pursuant to the Plan shall not exceed US$100,000 and the aggregate equity value of all Awards, that are eligible to be settled in Shares granted to a non-employee director, within a one-year period, pursuant to all Security Based Compensation Arrangements, shall not exceed US$150,000.

The term of each Option shall be fixed by the Committee but shall not exceed 6 years from the date of grant thereof. Except as otherwise provided by the Committee in the terms of an award grant agreement for a participant, the term of each Option shall be 6 years from the date of the grant thereof. Notwithstanding the foregoing and subject to certain exceptions detailed in the Plan, if the term of an Option (other than an “incentive stock option” under Section 422 of the United States Internal Revenue Code) would otherwise expire during, or

within ten business days of the expiration of, a Blackout Period (as such term is defined in the Plan) applicable to any participant subject to Section 409A of the United States Internal Revenue Code, then the term of such Option shall be extended to the close of business on the tenth business day following the expiration of the Blackout Period.

Except as otherwise provided by the Committee in the terms of an award grant agreement for a participant, Options will vest and become exercisable as follows: (i) as to the first one-third on the first anniversary of the date of the grant thereof; (ii) as to the second one-third on the second anniversary of the date of the grant thereof; and (iii) as to the third and final one-third on the third anniversary of the date of the grant thereof.

Restricted Stock and RSUs

The Plan provides the Committee with authority to grant Restricted Stock and RSUs, which adds a medium-term incentive option to the Resulting Issuer's compensation program. Restricted Stock and RSUs may be granted as part of an employee's "at risk" incentives and are considered "medium-term" incentives because they vest no later than three years after the date of grant and any payments on the vesting dates are determined with reference to the market price of Shares on that date.

Shares of Restricted Stock and RSUs shall be subject to such restrictions as the Committee may impose (including, without limitation, any limitation on the right to receive any dividend or dividend equivalent or other right), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate.

Stock Appreciation Rights

The Committee is authorized to grant Stock Appreciation Rights to participants under the Plan. SARs may be granted hereunder to Participants either alone or in addition to other Awards granted under the Plan and may, but need not, relate to a specific Options. A freestanding SAR shall not have a term of greater than 10 years or an exercise price less than 100% of fair market value a Share on the date of grant.

Deferred Stock Units

The Plan provides the Committee with the authority to grant Deferred Stock Units that provide members of the Board with compensation opportunities which are compatible with shareholder interests, encourages a sense of ownership and rewards significant achievements. The benefit of holding DSUs is realized in the form of a cash payment to the member of the Board that is only made after the termination or retirement of the member from the Board or after their death. The form of compensation provided by the DSU plan provides the Resulting Issuer with the ability to reduce Board cash compensation costs in the short-term, and is intended to align Board compensation with shareholder interests.

DSUs vest immediately upon grant but may only be redeemed upon a DSU holder's termination (not later than the 90-day period following the Director Termination Date). DSUs may be satisfied by delivery of Shares, other Awards, or a combination thereof, as determined by the Committee at the date of grant or thereafter.

The Committee, in its discretion, may award cash, shares, other Awards or other property equal in value to dividends paid with respect to Shares with respect to Awards of DSUs. The entitlements on such Dividend Equivalents will not be available until the expiration of the deferral period for the Award of DSUs.

General

The maximum number of Shares available for issuance under the Plan shall not exceed 10% of the issued and outstanding Shares from time to time when taken together with all other Security Based Compensation Arrangements (as such term is defined in the Plan) of the Resulting Issuer.

The number of Shares issuable to insiders, at any time, under all Security Based Compensation Arrangements of the Resulting Issuer, may not exceed 10% of the Resulting Issuer's issued and outstanding Shares; and the number of Shares issued to insiders within any one-year period, under all Security Based Compensation

Arrangements of the Resulting Issuer, may not exceed 10% of the issued and outstanding Shares.

In the event that a participant holds 20% or more of the issued and outstanding Shares or the settlement of an Award in shares would cause the participant to hold 20% or more of the issued and outstanding Shares, such participant shall only be granted Awards that can be settled in cash.

Subject to certain exceptions included in the Plan, the occurrence of a Change in Control (as such term is defined in the Plan) will not result in the vesting of Unvested Awards nor the lapse of any period of restriction pertaining to any Restricted Stock or RSUs. Subject to the Committee reasonably determining otherwise, for the period of 24 months following a Change in Control, where a participant's employment or term of office or engagement is terminated for any reason, other than for cause, any Unvested Awards as at the date of such termination shall be deemed to have vested, and any period of restriction shall be deemed to have lapsed, as at the date of such termination and shall become payable as at the date of termination, except that any successor entity may agree to assume the obligations of the Corporation in respect of such Unvested Awards.

All Awards granted under the Plan are non-transferable, except as may be permitted by the Committee, as specifically provided in an award agreement, or by will or the law of descent.

The Committee may specify the circumstances in which Awards shall be exercised, vested, paid or forfeited in the event a participant ceases to provide service to the Resulting Issuer or any affiliate prior to the exercise or settlement of such Award. If no such circumstances are specified in the terms of a grant agreement for a Participant: (i) if a participant resigns their office or employment, or the employment of a participant is terminated, or a participant's contract as a consultant terminates, only the portion of the Options that have vested and are exercisable at the date of any such resignation or termination may be exercised by the participant during the period ending 90 days after the date of resignation or termination, as applicable, after which period all Options expire; and (ii) any Options, whether vested or unvested, will expire immediately upon the participant being dismissed from their office or employment for cause or on a participant's contract as a consultant being terminated before its normal termination date for cause, including where a participant resigns their office or employment or terminates their contract as a consultant after being requested to do so by the Resulting Issuer as an alternative to being dismissed or terminated by the Resulting Issuer for cause.

The Board may amend, alter, suspend, discontinue or terminate the Plan and any outstanding Awards granted hereunder, in whole or in part, at any time without notice to or approval by the shareholders of the Corporation, for any purpose whatsoever, provided that all material amendments to the Plan shall require the prior approval of the shareholders of the Corporation and must comply with the rules of the NEO. Examples of the types of amendments that are not material include: (i) amendments to ensure continuing compliance with applicable law, applicable stock exchange rules and regulations or accounting or tax rules and regulations; (ii) amendments of a "housekeeping" nature, which include amendments to correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award Agreement in the manner and to the extent it shall deem desirable to carry the Plan into effect; (iii) changing the vesting provision of the Plan or any Award; (iv) waiving any conditions or rights under any Award; (v) changing the termination provisions of any Award that does not entail an extension beyond the original expiration date thereof; (vi) adding or amending a cashless exercise provision; (vii) adding or amending a financial assistance provision; (viii) changing the process by which a Participant who wishes to exercise his or her Award can do so, including the required form of payment for the Shares being purchased, the form of written notice of exercise provided to the Corporation and the place where such payments and notices must be delivered; and (ix) delegating any or all of the powers of the Committee to administer the Plan to officers of the Corporation.

See "*Schedule "G" – New Equity Incentive Plan*" for a copy of the New Equity Incentive Plan.

THE NEW EQUITY INCENTIVE PLAN WILL ONLY BE ADOPTED BY THE RESULTING ISSUER IN THE EVENT THAT THE BUSINESS COMBINATION IS SUCCESSFULLY COMPLETED.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Apogee Proxy will vote the Apogee Common Shares represented by such form of Apogee Proxy FOR the Equity Incentive Plan Resolution. If you do not specify how you want your Apogee Common Shares voted at

the Meeting, the persons designated as proxyholders in the accompanying form of Apogee Proxy will cast the votes represented by your proxy at the Meeting FOR the Equity Incentive Plan Resolution.

The Board unanimously recommends that Apogee Shareholders vote FOR the Equity Incentive Plan Resolution at the Meeting.

CORPORATE GOVERNANCE

Apogee and the Board recognize the importance of corporate governance in effectively managing Apogee, protecting employees and shareholders, and enhancing shareholder value.

The Board fulfills its mandate directly at regularly scheduled meetings or as required. The directors are kept informed regarding Apogee's operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of Apogee's affairs and in light of opportunities or risks that Apogee faces.

Apogee believes that its corporate governance practices are in compliance with applicable Canadian requirements for issuers and will review its practices in light of the requirements of the NEO Exchange should the Business Combination be approved. Apogee is committed to monitoring governance developments to ensure its practices remain current and appropriate.

Ethical Business Conduct

The Board is apprised of the activities of Apogee and ensures that it conducts such activities in an ethical manner. The Board has not adopted a written code of business conduct and ethics, however, the Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct. In particular, the Board ensures that directors exercise independent judgement in considering transactions and certain activities of Apogee by holding in camera sessions of independent directors, when applicable, and by having each director declare his or her interest in a particular transaction and abstaining from voting on such matters, where applicable.

ABOUT THE BOARD

Independence of the Board

The Board is currently comprised of three members, G. Scott Paterson, David Gower and Peter Bojtos, all of whom are independent.

To facilitate the functioning of the Board independently of management, the following structures and processes are in place:

- a majority of the directors are not management of Apogee and are considered independent of Apogee;
- under the by-laws of Apogee, any two directors may call a meeting of the Board; and
- the Board practice is to hold in-camera meetings with the independent directors at the end of each Board or committee of the Board meeting to the extent required.

Nomination of Directors

The Board is solely responsible for identifying new candidates for nomination to the Board. The process by which candidates are identified is through recommendations presented to the Board, which establishes and

discusses qualifications based on corporate law and regulatory requirements as well as education and experience related to the business of Apogee.

Compensation

The Board is responsible for determining the compensation of the directors and CEO of Apogee. The process for determining executive compensation is relatively informal, in view of the size and stage of Apogee and its operations. Apogee does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. The Board may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board deem as worthy of recognition.

The Board reviews and discusses proposals received by the CEO of Apogee regarding the compensation of management and the directors.

Board Assessments

The Board and its individual directors are assessed on an informal basis continually as to their effectiveness and contribution. The Chairman of the Board encourages discussion amongst the Board as to evaluation of the effectiveness of the Board as a whole and of each individual director. All directors are free to make suggestions for improvement of the practice of the Board at any time and are encouraged to do so.

Orientation and Continuing Education

The Board will be responsible for ensuring that new directors are provided with an orientation and education program, which will include written information about the duties and obligations of directors, the business and operations of Apogee, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors. Directors are expected to attend all meetings of the Board and are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Board notes that it has benefited from the experience and knowledge of individual members of the Board in respect of the evolving governance regime and principles. The Board ensures that all directors are apprised of changes in Apogee's operations and business.

AUDIT COMMITTEE

The purposes of the Audit Committee are to assist the Board's oversight of: the integrity of Apogee's financial statements; Apogee's compliance with legal and regulatory requirements; the qualifications and independence of Apogee's independent auditors; and the performance of the independent auditors and Apogee's internal audit function. Please see Schedule "A" for the Apogee Audit Committee Charter.

The duties of Apogee's audit committee are currently performed by the Board, given that the Board only comprises three members. Each of the members of the Board is independent and is considered financially literate. Please refer to "*Particulars of Matters to be Acted Upon at the Meeting – Apogee Director Election Resolution*", for the relevant education and experience of each of the members of the Audit Committee.

Audit Committee Oversight

At no time since the commencement of Apogee's most recently completed financial year has there been a recommendation of the audit committee to nominate or compensate an external auditor which was not adopted by the Board.

External Auditor

The Audit Committee pre-approves all non-audit services to be provided to Apogee or its subsidiary entities by the issuer's external auditors.

The following table sets out the audit and audit-related fees billed by Apogee's auditors during the years ended June 30, 2018 and 2017.

Service	2017 (CAD$)	2018 (CAD$)
Audit Fees	$25,500	$25,500
Audit-Related Fees	Nil	Nil
Tax Fees	$4,000	Nil
Other Fees	Nil	Nil
Total:	$29,500	$25,500

EXECUTIVE COMPENSATION

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6 – Statement of Executive Compensation, and sets forth compensation of Mr. Fred Leigh, the President and CEO of Apogee and Mr. Stephen Woodhead, the CFO and a director of Apogee, who are together the "Named Executive Officers" of Apogee, and Mr. Paterson as Chairman of the Board, as well as for predecessors of Mr. Woodhead.

Named Executive Officer Compensation, Excluding Options and Other Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by Apogee to each Named Executive Officer, in any capacity for the three most recently completed financial years.

Table of Compensation Excluding Compensation Securities								
Name and position	**Year (1)**	**Salary, consulting fee, retainer or commission (CAD$) ($)**	**Bonus (CAD$)**	**Committee or meeting fees (CAD$)**	**Value of perquisites (CAD$)**	**Pension value (CAD$)**	**Value of all other compensation (CAD$)**	**Total compensation (CAD$)**
Fred Leigh President and CEO	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Stephen Woodhead CFO	2018	$37,500	Nil	Nil	$604	Nil	Nil	$38,104
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Paul Bozoki[3] Former CFO	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	$25,650	Nil	Nil	Nil	Nil	Nil	$25,650
Greg Duras[4] Former CFO	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	$60,000	Nil	Nil	Nil	Nil	Nil	$60,000
G. Scott Paterson Chairman, Director	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	$18,000[2]	Nil	Nil	Nil	Nil	Nil	$18,000

Notes:
(1) Financial year ended June 30.
(2) Shares for debt agreement in March 2016.
(3) Former CFO who was appointed in October 2015 and resigned in July 2017.
(4) Former CFO who resigned in October 2015.

Stock Options and Other Compensation Securities

No Named Executive Officer or director of Apogee received or exercised any incentive stock options or compensation securities during the financial years ended June 30, 2016, 2017 or 2018.

The process for determining executive compensation is relatively informal, in view of the size and stage of Apogee and its operations. Executive officers are involved in the process and make recommendations to the Board of Directors, which considers for approval the discretionary components (e.g. cash bonuses) of the annual compensation of senior management (other than the CEO). Except as otherwise described below, Apogee does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. The Board may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board deem as worthy of recognition.

Compensation for the Named Executive Officers is composed primarily of three components: base fees, performance bonuses and stock based compensation. In establishing the levels of base fees, performance bonuses and the award of stock options, Apogee takes into consideration a variety of factors, including the financial and operating performance of Apogee, and each Named Executive Officer's individual performance and contribution towards meeting corporate objectives, responsibilities and length of service.

Salary

Amounts paid to executive officers as base salary, including merit salary increases, are determined in accordance with an individual's performance and salaries in the marketplace for comparable positions. However, certain of the Named Executive Officers provide their services in similar capacities to other reporting issuers, in addition to Apogee. There is no mandatory framework that determines which of these factors may be more or less important and the emphasis placed on any of these factors may vary among the executive officers. The determination of base salaries relies principally on negotiations between the respective Named Executive Officer and Apogee and is therefore heavily discretionary.

Bonus

Apogee's cash bonus awards are designed to reward an executive for the direct contribution which he or she can make to Apogee. Named Executive Officers are entitled to receive discretionary bonuses from time to time as determined or approved by the Board or the CEO, as applicable. Apogee does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather Apogee uses informal goals which may include an assessment of an individual's current and expected future performance, level of responsibilities and

the importance of his/her position and contribution to Apogee. Precise goals or milestones are not pre-set by the Board.

Stock Option Grants

Options are granted pursuant to the Apogee Option Plan and in accordance with the rules of the NEO Exchange. The Apogee Option Plan is administered by the Board, which has authority to amend the Apogee Option Plan and the terms of the outstanding options, subject to applicable regulatory and shareholder approvals and provided that no amendment may materially impair the rights of existing option holders in respect of options outstanding prior to the amendment. See above under the section "*Particulars of Matters to be Acted Upon at the Meeting – Option Plan Resolution*".

The table below sets out the outstanding options under the Apogee Option Plan, being Apogee's only compensation plan under which Apogee Common Shares are authorized for issuance, as of June 30, 2018.

	Number of securities to be issued upon exercise of outstanding options	**Weighted-average exercise price of outstanding options**	**Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a)) as of the Record Date**
Plan Category	**(a)**	**(b)**	**(c)**
Equity compensation plans approved by security holders	Nil	N/A	897,560[(1)]
Equity compensation plans not approved by security holders	Nil	N/A	N/A
TOTAL	Nil	N/A	897,560

Notes:
(1) Equal to 10% of the number of issued Apogee Common Shares

Other Compensation Matters

Indebtedness of Directors and Officers

As at the date of this Circular, and during the financial year ended June 30, 2018, no director or executive officer of Apogee or Nominee (as defined herein) (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) Apogee or its subsidiaries, or (ii) any other entity which is, or was at any time during the financial year ended June 30, 2018, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Apogee or its subsidiaries.

Directors' and Officers' Insurance and Indemnification

Apogee maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. Apogee has purchased in respect of directors and officers an aggregate of CAD$5,000,000 in coverage. The approximate amount of premiums paid by Apogee in 2018 in respect of such insurance was CAD$11,340.

Subject to the limitations contained in the OBCA, Apogee shall indemnify a director or officer, a former director or officer, or another individual who acts or acted at Apogee's request as a director or officer or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, investigative or other proceeding in which the individual becomes involved in because of that association with Apogee or the other entity, if (a) the individual acted honestly and in good faith with a view to the best interests of Apogee or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at Apogee's request; (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the

individual's conduct was lawful; and (c) a court or other competent authority has not judged that the individual has committed any fault or omitted to do anything that the individual ought to have done.

Long Term Incentive Plan

Apogee does not currently have a long term incentive plan.

Incentive Plan Awards

There were no outstanding share-based or option-based awards at the end of the most recently completed financial year. No Named Executive Officer holds any share awards or option awards as at the Record Date.

Value on Pay-Out or Vesting of Incentive Plan Awards

None of the Named Executive Officers exercised any options during the year ending June 30, 2018. All outstanding options expired on April 19, 2018.

Defined Benefit or Actuarial Plan

Apogee does not currently have a defined benefit or actuarial plan under which benefits are determined primarily by final compensation (or average final compensation) and years of services. Apogee does not currently provide for any pension plan benefits.

Termination of Employment, Change in Responsibilities, and Employment Contracts

None of the Named Executive Officers have contracts. As a result, there are no incremental payments, payables and benefits that might be paid to the Named Executive Officers and consultants pursuant to any agreements in the event of termination without cause or after a Change in Control (as defined in the Apogee Option Plan and assuming such termination or Change in Control is effective as of the Record Date).

DIRECTOR COMPENSATION

Compensation of directors for the financial year ended June 30, 2018 was determined on a case-by-case basis with reference to the role that each director provided to Apogee. The following information details compensation paid in the recently completed financial year.

Directors may receive cash bonuses from time to time, which Apogee awards to directors for serving in their capacity as a member of the Board. In addition, directors are entitled to participate in the Apogee Option Plan, which is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to Apogee.

Executive officers who also act as directors of Apogee do not receive any additional compensation for services rendered in their capacity as directors.

During the financial year ended June 30, 2018, directors were granted the fees, options and bonuses in their capacity as directors of Apogee as is set out in the table below.

Director Compensation Table

The following table provides information regarding compensation paid to Apogee's directors during the financial year ended June 30, 2018.

Name	Fees earned ($)	Share awards ($)	Option awards ($)	Non-equity incentive plan compensation ($)	All other compensation ($)	Total ($)
David Gower	Nil	N/A	Nil	Nil	Nil	Nil
G. Scott Paterson	Nil	N/A	Nil	Nil	Nil	Nil
Peter Bojtos	Nil	N/A	Nil	Nil	Nil	Nil
TOTALS	Nil	N/A	Nil	Nil	Nil	Nil

Incentive Plan Awards

There were no outstanding share or option awards under incentive plans as at June 30, 2018.

Value on Pay-Out or Vesting of Incentive Plan Awards

None of the directors of Apogee exercised any options during the year ended June 30, 2018 and all outstanding options expired during the year.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this Circular or "routine indebtedness", as that term is defined in Form 51-102F5 of National Instrument 51-102 – *Continuous Disclosure Obligations*, none of (i) the individuals who are, or at any time since the beginning of the last financial year of Apogee were, a director or executive officer of Apogee; (ii) the proposed nominees for election as its directors; or (iii) any associates of the foregoing persons, is, or at any time since the beginning of the most recently completed financial year has been, indebted to Apogee or any subsidiary of Apogee, or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by Apogee or any subsidiary of Apogee.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "Informed Person" means (i) a director or executive officer of Apogee; (ii) a director or executive officer of a person or company that is itself an Informed Person or subsidiary of Apogee; (iii) any person or company who beneficially owns, directly or indirectly, voting securities of Apogee or who exercises control or direction over voting securities of Apogee or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of Apogee, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (iv) Apogee itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed elsewhere herein or in the notes to Apogee's financial statements for the financial year ended June 30, 2018, none of (i) the Informed Persons of Apogee; (ii) the proposed nominees for election as a director of Apogee; or (iii) any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, in any transaction since the commencement of Apogee's most recently completed financial year or in a proposed transaction which has materially affected or would materially affect Apogee or any subsidiary of Apogee.

OTHER APOGEE INFORMATION CIRCULAR DISCLOSURE

See "*Corporate Governance*", "*Audit Committee*" and "*Schedule "A" – Apogee Audit Committee Charter*" for additional disclosure relating to the Apogee Audit Committee and the relationship with its auditor and corporate governance disclosure for Apogee.

EXPERTS

UHY McGovern, Chartered Professional Accountants, are the auditors of Apogee and have performed the audit in respect of the audited financial statements of Apogee as at and for the year ended June 30, 2018. UHY McGovern are independent of Apogee in accordance with the applicable rules of professional conduct.

ADDITIONAL INFORMATION

The information contained in this Circular is given as of August 8, 2018, except as otherwise indicated. Additional financial information is provided in Apogee's management's discussion and analysis and the financial statements for Apogee's most recently completed financial year, which are available under Apogee's profile on SEDAR at www.sedar.com.

Schedule "A"
APOGEE AUDIT COMMITTEE CHARTER

Other than as set out in Item 1 below, terms not otherwise defined in this Schedule have the meanings ascribed to them in this Circular under the heading "*Glossary*".

This Charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of Apogee. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

PART 1

Purpose: The purpose of the Committee is to:

a) significantly improve the quality of Apogee's financial reporting;
b) assist the Board to properly and fully discharge its responsibilities;
c) provide an avenue of enhanced communication between the Board and external auditors;
d) enhance the external auditor's independence;
e) increase the credibility and objectivity of financial reports; and
f) strengthen the role of the outside members of the Board by facilitating in depth discussions between Members, management and external auditors.

1.1 Definitions

"accounting principles" has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"Affiliate" means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

"audit services" means the professional services rendered by Apogee's external auditor for the audit and review of Apogee's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"Board" means the board of directors of Apogee;

"Charter" means this audit committee charter;

"Corporation" means Apogee Opportunities Inc.;

"Committee" means the committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of Apogee and audits of the financial statements of Apogee;

"Control Person" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of Apogee so as to affect materially the control of Apogee, or that holds more than 20% of the outstanding voting shares of Apogee, except where there is evidence showing that the holder of those securities does not materially affect control of Apogee;

"executive officer" means an individual who is:

a) the chair of Apogee;

b) the vice-chair of Apogee;

c) the President of Apogee;

d) the vice-president in charge of a principal business unit, division or function including sales, finance or production;

e) an officer of Apogee or any of its subsidiary entities who performs a policy-making function in respect of Apogee; or

f) any other individual who performs a policy-making function in respect of Apogee;

"financially literate" has the meaning set forth in Section 1.3;

"immediate family member" means a person's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person's immediate family member) who shares the individual's home;

"independent" has the meaning set forth in Section 1.2;

"Instrument" means National Instrument 52-110;

"MD&A" has the meaning ascribed to it in the National Instrument;

"Member" means a member of the Committee;

"National Instrument 51-102" means National Instrument 51-102 *Continuous Disclosure Obligations*; and

"non-audit services" means services other than audit services.

1.2 Meaning of Independence

1. A Member is independent if the Member has no direct or indirect material relationship with Apogee.

2. For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgement.

3. Despite subsection 2 and without limitation, the following individuals are considered to have a material relationship with Apogee:
   a) a Control Person of Apogee;
   b) an Affiliate of Apogee; and
   c) an employee of Apogee.

1.3 Meaning of Financial Literacy -- For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Apogee's financial statements.

PART 2

2.1 Audit Committee – The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors – Apogee will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the Board:
   a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Apogee; and
   b) the compensation of the external auditor.

2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Apogee, including the resolution of disagreements between management and the external auditor regarding financial reporting.

This responsibility shall include:

a) reviewing the audit plan with management and the external auditor;
b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
g) reviewing interim unaudited financial statements before release to the public;
h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management's discussion and analysis;
i) reviewing any evaluation of internal controls by the external auditor, together with management's response;
j) reviewing the terms of reference of the internal auditor, if any;
k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
l) reviewing the appointments of the Chief Financial Officer and any key financial executives involved in the financial reporting process, as applicable.

3. The Committee shall pre-approve all non-audit services to be provided to Apogee or its subsidiary entities by the issuer's external auditor.

4. The Committee shall review Apogee’s financial statements, MD&A and annual and interim earnings press releases before Apogee publicly discloses this information.

5. The Committee shall ensure that adequate procedures are in place for the review of Apogee’s public disclosure of financial information extracted or derived from Apogee’s financial statements, and shall periodically assess the adequacy of those procedures.

6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31, and the planned steps for an orderly transition.

7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in the National Instrument, on a routine basis, whether or not there is to be a change of auditor.

8. The Committee shall, as applicable, establish procedures for:
   a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
   b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

9. As applicable, the Committee shall establish, periodically review and approve Apogee's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.

10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

2.4 De Minimis Non-Audit Services – The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:
   a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;
   b) Apogee or the relevant subsidiary of Apogee, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
   c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 Delegation of Pre-Approval Function

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).

2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

PART 3

3.1 Composition

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. The majority of Members shall be independent.
4. Every audit committee member shall be financially literate.

PART 4

4.1 Authority – Until the replacement of this Charter, the Committee shall have the authority to:

   a) engage independent counsel and other advisors as it determines necessary to carry out its duties,
   b) set and pay the compensation for any advisors employed by the Committee,
   c) communicate directly with the internal and external auditors; and
   d) recommend the amendment or approval of audited and interim financial statements to the Board.

PART 5

5.1 Disclosure in Information Circular – If management of Apogee solicits proxies from the security holders of Apogee for the purpose of electing directors to the Board, Apogee shall include in its management information circular the disclosure required by Form 52-110F2 (*Disclosure by Venture Issuers)*.

PART 6

6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor, if any, and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.

Schedule "B"
APOGEE STOCK OPTION PLAN

Other than as set out in Section 2.1 below, terms not otherwise defined in this Schedule have the meanings ascribed to them in this Circular under the heading "*Glossary*".

1. STATEMENT OF PURPOSE

1.1 **Principal Purposes** – The principal purposes of the Plan are to provide Apogee with the advantages of the incentive inherent in share ownership on the part of employees, officers, directors and consultants responsible for the continued success of Apogee; to create in such individuals a proprietary interest in, and a greater concern for, the welfare and success of Apogee; to encourage such individuals to remain with Apogee; and to attract new employees, officers, directors and consultants to Apogee.

1.2 **Benefit to Shareholders** – The Plan is expected to benefit shareholders by enabling Apogee to attract and retain skilled and motivated personnel by offering such personnel an opportunity to share in any increase in value of the Shares resulting from their efforts.

2. INTERPRETATION

2.1 **Defined Terms** – For the purposes of this Plan, the following terms shall have the following meanings:

(a) "**Act**" means the *Securities Act* (Ontario), as amended from time to time;

(b) "**Associate**" shall have the meaning ascribed to such term in the Act;

(c) "**Board**" means the Board of Directors of Apogee;

(d) "**Change in Control**" means:

i. a takeover bid (as defined in the Act), which is successful in acquiring Shares,

ii. the change of control of the Board resulting from the election by the members of Apogee of less than a majority of the persons nominated for election by management of Apogee,

iii. the sale of all or substantially all the assets of Apogee,

iv. the sale, exchange or other disposition of a majority of the outstanding Shares in a single transaction or series of related transactions;

v. the dissolution of Apogee's business or the liquidation of its assets,

vi. a merger, amalgamation or arrangement of Apogee in a transaction or series of transactions in which Apogee's shareholders receive less than 51% of the outstanding shares of the new or continuing corporation, or

vii. the acquisition, directly or indirectly, through one transaction or a series of transactions, by any Person, of an aggregate of more than 50% of the outstanding Shares;

(e) "**Committee**" means a committee of the Board appointed in accordance with this Plan, or if no such committee is appointed, the Board itself;

(f) "**Corporation**" means Apogee Opportunities Inc., a corporation continued under the laws of the Province of Ontario;

(g) "**Consultant**" means an individual, other than an Employee, senior officer or director of Apogee or a Subsidiary Corporation, or a Consultant Corporation, who;

i. provides ongoing consulting, technical, management or other services to Apogee or a Subsidiary Corporation, other than services provided in relation to a distribution of Apogee's securities,

ii. provides the services under a written contract between Apogee or a Subsidiary Corporation and the individual or Consultant Corporation,

iii. in the reasonable opinion of Apogee spends or will spend a significant amount of time and attention on the affairs and business of Apogee or a Subsidiary Corporation, and

iv. has a relationship with Apogee or a Subsidiary Corporation that enables the individual or Consultant Corporation to be knowledgeable about the business and affairs of Apogee;

(h) "**Consultant Corporation**" means, for an individual Consultant, a Corporation of which the individual is an employee or shareholder, or a partnership of which the individual is an employee or partner;

(i) "**Date of Grant**" means the date specified in the Option Agreement as the date on which the Option is effectively granted;

(j) "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:

i. being employed or engaged by Apogee, a Subsidiary Corporation or another employer, in a position the same as or similar to that in which he was last employed or engaged by Apogee or a Subsidiary Corporation; or

ii. acting as a director or officer of Apogee or a Subsidiary Corporation;

(k) "**Disinterested Shareholder Approval**" means an ordinary resolution approved by a majority of the votes cast by members of Apogee at a shareholders' meeting, excluding votes attaching to Shares beneficially owned by Insiders to whom Options may be granted and Associates of those persons;

(l) "**Effective Date**" means the effective date of this Plan, which is the later of the day of its approval by the shareholders of Apogee and the day of its acceptance for filing by the Exchange if such acceptance for filing is required under the rules or policies of the Exchange;

(m) "**Eligible Person**" means:

i. an Employee, senior officer or director of Apogee or any Subsidiary Corporation,

ii. a Consultant,

iii. an individual providing Investor Relations Activities for Apogee;

iv. a Corporation, all of the voting securities of which are beneficially owned by one or more of the persons referred to in (i), (ii) or (iii) above

(n) "**Employee**" means:

i. an individual who is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source),

ii. an individual who works full-time for Apogee or a Subsidiary Corporation providing services

normally provided by an employee and who is subject to the same control and direction by Apogee or a Subsidiary Corporation over the details and methods of work as an employee of Apogee or a Subsidiary Corporation, but for whom income tax deductions are not made at source,

iii. an individual who works for Apogee or a Subsidiary Corporation, on a continuing and regular basis for a minimum amount of time per week, providing services normally provided by an employee and who is subject to the same control and direction by Apogee or a Subsidiary Corporation over the details and methods of work as an employee of Apogee or a Subsidiary Corporation, but for whom income tax deductions are not made at source;

(o) "**Exchange**" means the stock exchange or over the counter market on which the Shares are listed;

(p) "**Exchange Act**" means the United States *Securities Exchange Act* of 1934, as amended;

(q) "**Fair Market Value**" means, where the Shares are listed for trading on an Exchange, the last closing price of the Shares before the Date of Grant on the Exchange which is the principal trading market for the Shares, as may be determined for such purpose by the Committee, provided that, so long as the Shares are listed only on the TSXVE, the "Fair Market Value" shall not be lower than the last closing price of the Shares before the Date of Grant less the maximum discount permitted under the policies of the TSXVE;

(r) "**Guardian**" means the guardian, if any, appointed for an Optionee;

(s) "**Insider**" shall have the meaning ascribed to such term in the Act;

(t) "**Investor Relations Activities**" means any activities or oral or written communications, by or on behalf of Apogee or a shareholder of Apogee that promote or reasonably could be expected to promote the purchase or sale of securities of Apogee, but does not include:

i. the dissemination of information provided, or records prepared, in the ordinary course of business of Apogee

A. to promote the sale of products or services of Apogee, or

B. to raise public awareness of Apogee,

C. that cannot reasonably be considered to promote the purchase or sale of securities of Apogee,

ii. activities or communications necessary to comply with the requirements of

A. applicable securities laws,

B. the rules and policies of the TSXVE, if the Shares are listed only on the TSXVE, or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over Apogee,

iii. communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if

A. the communication is only through the newspaper, magazine or publication and

B. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer, or

iv. activities or communications that may be otherwise specified by the TSXVE, if the Shares are listed only on the TSXVE;

(u) "**Option**" means an option to purchase unissued Shares granted pursuant to the terms of this Plan;

(v) "**Option Agreement**" means a written agreement between Apogee and an Optionee specifying the terms of the Option being granted to the Optionee under the Plan;

(w) "**Option Price**" means the exercise price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of Sections 6.3 and 10;

(x) "**Optionee**" means an Eligible Person to whom an Option has been granted;

(y) "**Person**" means a natural person, Corporation, government or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person;

(z) "**Plan**" means this 2016 Stock Option Plan of Apogee;

(aa) "**Qualified Successor**" means a person who is entitled to ownership of an Option upon the death of an Optionee, pursuant to a will or the applicable laws of descent and distribution upon death;

(bb) "**Shares**" means the common shares in the capital of Apogee as constituted on the Date of Grant, adjusted from time to time in accordance with the provisions of Section 10;

(cc) "**Subsidiary Corporation**" shall mean a Corporation which is a subsidiary of Apogee;

(dd) "**Term**" means the period of time during which an Option may be exercised; and

(ee) "**TSXVE**" means the TSX Venture Exchange.

3. ADMINISTRATION

3.1 **Board or Committee** – The Plan shall be administered by the Board or by a Committee appointed in accordance with Section 3.2.

3.2 **Appointment of Committee** – The Board may at any time appoint a Committee, consisting of not less than three of its members, to administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan. In the absence of the appointment of a Committee by the Board, the Board shall administer the Plan.

3.3 **Quorum and Voting** – A majority of the members of the Committee shall constitute a quorum, and, subject to the limitations in this Section 3, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. No member of the Committee who is a director to whom an Option may be granted may participate in the decision to grant such Option (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee in which action is to be taken with respect to the granting of an Option to him).

3.4 **Powers of Board and Committee** – The Board shall from time to time authorize and approve the grant by Apogee of Options under this Plan, and any Committee appointed under Section 3.2 shall have the authority to review the following matters in relation to the Plan and to make recommendations thereon to the Board;

(a) administration of the Plan in accordance with its terms,

(b) determination of all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the value of the Shares,

(c) correction of any defect, supply of any information or reconciliation of any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan,

(d) prescription, amendment and rescission of the rules and regulations relating to the administration of the Plan;

(e) determination of the duration and purpose of leaves of absence from employment which may be granted to Optionees without constituting a termination of employment for purposes of the Plan,

(f) with respect to the granting of Options:

(i) determination of the employees, officers, directors or consultants to whom Options will be granted, based on the eligibility criteria set out in this Plan,

(ii) determination of the terms and provisions of the Option Agreement which shall be entered into with each Optionee (which need not be identical with the terms of any other Option Agreement) and which shall not be inconsistent with the terms of this Plan,

(iii) amendment of the terms and provisions of an Option Agreement, provided the Board obtains:

(A) the consent of the Optionee, and

(B) if required, the approval of any stock exchange on which the Shares are listed,

(iv) determination of when Options will be granted,

(v) determination of the number of Shares subject to each Option,

(vi) determination of the vesting schedule, if any, for the exercise of each Option, and

(g) other determinations necessary or advisable for administration of the Plan.

3.5 **Obtain Approvals** – The Board will seek to obtain any regulatory, Exchange or shareholder approvals which may be required pursuant to applicable securities laws or Exchange rules.

3.6 **Administration by Committee** – The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan. In addition, the Committee's administration of the Plan shall in all respects be consistent with the Exchange policies and rules.

4. ELIGIBILITY

4.1 **Eligibility for Options** – Options may be granted to any Eligible Person.

4.2 **Insider Eligibility for Options** – Notwithstanding Section 4.1, if the Shares are listed only on the TSXVE, grants of Options to Insiders shall be subject to the policies of the TSXVE.

4.3 **No Violation of Securities Laws** – No Option shall be granted to any Optionee unless the Committee has determined that the grant of such Option and the exercise thereof by the Optionee will not violate the securities law of the jurisdiction in which the Optionee resides.

5. SHARES SUBJECT TO THE PLAN

5.1 **Number of Shares** – The maximum number of Shares issuable from time to time under the Plan is that number of Shares as is equal to 10% of the number of issued Shares at the Date of Grant of an Option. The maximum number of Shares issuable under the Plan shall be adjusted, where necessary, to take account of the events referred to in Section 10.

5.2 **Expiry of Option** – If an Option expires or terminates for any reason without having been exercised in full, the unpurchased Shares subject thereto shall again be available for the purposes of the Plan.

5.3 **Reservation of Shares** – Apogee will at all times reserve for issuance and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

6. OPTION TERMS

6.1 **Option Agreement** – Each Option granted to an Optionee shall be confirmed by the execution and delivery of an Option Agreement and the Board shall specify the following terms in each such Option Agreement:

(a) the number of Shares subject to option pursuant to such Option, subject to the following limitations if the Shares are listed only on the TSXVE:

i. the number of Shares reserved for issuance pursuant to Options to any one Optionee shall not exceed 5% of the issued Shares in any 12-month period (unless Apogee is designated as a "Tier 1" listed Corporation by the TSXVE and has obtained Disinterested Shareholder Approval to exceed this number),

ii. the number of Shares reserved for issuance pursuant to Options to any one Consultant shall not exceed 2% of the issued Shares in any 12-month period, and

iii. the aggregate number of Shares reserved for issuance pursuant to Options to Employees and those individuals conducting Investor Relations Activities shall not exceed 2% of the issued Shares in any 12-month period;

(b) the Date of Grant;

(c) the Term, provided that, if the Shares are listed only on the TSXVE, the length of the Term shall in no event be greater than five years following the Date of Grant, except, if Apogee is designated as "Tier 1" listed Corporation by the TSXVE, then the Term shall be no greater than ten years following the Date of Grant, for all Optionees;

(d) the Option Price, provided that the Option Price shall not be less than the Fair Market Value of the Shares on the Date of Grant;

(e) subject to Section 6.2 below, any vesting schedule upon which the exercise of an Option is contingent;

(f) if the Optionee is an Employee, Consultant or an individual providing Investor Relations Activities for Apogee, a representation by Apogee and the Optionee that the Optionee is a bona fide Employee, Consultant or an individual providing Investor Relations Activities for Apogee, as the case may be, of Apogee or a Subsidiary Corporation; and

(g) such other terms and conditions as the Board deems advisable and are consistent with the purposes of this

Plan.

6.2 **Vesting Schedule** – The Board, as applicable, shall have complete discretion to set the terms of any vesting schedule of each Option granted, including, without limitation, discretion to:

(a) permit partial vesting in stated percentage amounts based on the Term of such Option; and
(b) permit full vesting after a stated period of time has passed from the Date of Grant.

6.3 **Amendments to Options** – Amendments to the terms of previously granted Options are subject to regulatory approval, if required. If required by the Exchange, Disinterested Shareholder Approval shall be required for any reduction in the Option Price of a previously granted Option if the Optionee is an Insider of Apogee at the time of the proposed reduction in the Option Price.

6.4 **Uniformity** – Except as expressly provided herein, nothing contained in this Plan shall require that the terms and conditions of Options granted under the Plan be uniform.

7. EXERCISE OF OPTION

7.1 **Method of Exercise** – Subject to any limitations or conditions imposed upon an Optionee pursuant to the Option Agreement or Section 6 hereof, an Optionee may exercise an Option by giving written notice thereof, specifying the number of Shares in respect of which the Option is exercised, to Apogee at its principal place of business at any time after the Date of Grant until 4:00 p.m. (Toronto time) on the last day of the Term, such notice to be accompanied by full payment of the aggregate Option Price to the extent the Option is so exercised. Such payment shall be in lawful money (Canadian funds) by cash, cheque, bank draft or wire transfer. Payment by cheque made payable to Apogee in the amount of the aggregate Option Price shall constitute payment of such Option Price unless the cheque is not honoured upon presentation, in which case the Option shall not have been validly exercised.

7.2 **Issuance of Certificates** – Not later than the third business day after exercise of an Option in accordance with Section 7.1, Apogee shall issue and deliver to the Optionee a certificate or certificates evidencing the Shares with respect to which the Option has been exercised. Until the issuance of such certificate or certificates, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the certificate is issued, except as provided by Section 10 hereof.

7.3 **Compliance with U.S. Securities Laws** – As a condition to the exercise of an Option, the Board may require the Optionee to represent and warrant in writing at the time of such exercise that the Shares are being purchased only for investment and without any then-present intention to sell or distribute such Shares. At the option of the Board, a stop-transfer order against such Shares may be placed on the stock books and records of Apogee and a legend, indicating that the stock may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any applicable law or regulation, may be stamped on the certificates representing such Shares in order to assure an exemption from registration. The Board may also require such other documentation as may from time to time be necessary to comply with United States' federal and state securities laws. Apogee has no obligation to undertake registration of Options or the Shares issuable upon the exercise of the Options.

8. TRANSFERABILITY OF OPTIONS

8.1 **Non-Transferable/Legending** – Except as permitted by applicable securities laws and the policies of the Exchange, and as provided otherwise in this Section 8, Options are non-assignable and non-transferable. If the Shares are listed only on the TSXVE, then, in addition to any resale restrictions under applicable securities laws, if Apogee is, at the Date of Grant of an Option, designated as a "Tier 2" listed Corporation by the TSXVE or, if Apogee is not so designated but the Option Price is based on a discount from the last closing price of the Shares on the TSXVE, the Option Agreement and the certificates representing the Shares issued on the exercise of such Option shall bear the TSXVE legend with a four-month hold period commencing on the Date of Grant.

8.2 **Death of Optionee** – Subject to Section 8.3, if the employment of an Optionee as an Employee of, or the services of a Consultant providing services to, Apogee or any Subsidiary Corporation, or the employment of an Optionee as an individual providing Investor Relations Activities, or the position of the Optionee as a director or senior officer of Apogee or any Subsidiary Corporation, terminates as a result of such Optionee's death, any Options held by such Optionee shall pass to the Qualified Successor of the Optionee and shall be exercisable by such Qualified Successor until the earlier of a period of not more than one year following the date of such death and the expiry of the Term of the Option.

8.3 **Disability of Optionee** – If the employment of an Optionee as an Employee of, or the services of a Consultant providing services to, Apogee or any Subsidiary Corporation, or the employment of an Optionee as an individual providing Investor Relations Activities for Apogee, or the position of the Optionee as a director or senior officer of Apogee or any Subsidiary Corporation, is terminated by reason of such Optionee's Disability, any Options held by such Optionee that could have been exercised immediately prior to such termination of employment or service shall be exercisable by such Optionee, or by his Guardian, for a period of not more than one year following the date of such following the termination of employment or service of such Optionee. If such Optionee dies within that period of not more than one year, any Option held by such Optionee that could have been exercised immediately prior to his or her death shall pass to the Qualified Successor of such Optionee, and shall be exercisable by the Qualified Successor until the earlier of a period of not more than one year following the death of such Optionee and the expiry of the Term of the Option.

8.4 **Vesting** – Options held by a Qualified Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

8.5 **Deemed Non-Interruption of Employment** – Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Optionee's right to reemployment with Apogee or any Subsidiary Corporation is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Optionee's reemployment is not so guaranteed, then the Optionee's employment shall be deemed to have terminated on the ninety-first day of such leave.

9. TERMINATION OF OPTIONS

9.1 **Termination of Options** – To the extent not earlier exercised or terminated in accordance with Section 8, an Option shall terminate at the earliest of the following dates:

(a) the termination date specified for such Option in the Option Agreement;

(b) where the Optionee's position as an Employee, a Consultant, a director or a senior officer of Apogee or any Subsidiary Corporation, or an individual providing Investor Relations Activities for Apogee, is terminated for cause, the date of such termination for cause;

(c) where the Optionee's position as an Employee, a Consultant, a director or a senior officer of Apogee or any Subsidiary Corporation or an individual providing Investor Relations Activities for Apogee terminates for a reason other than the Optionee's Disability or death or for cause, not more than 90 days after such date of termination or, if the Shares are listed only on the TSXVE and if Apogee is designated as a "Tier 2" listed Corporation by the TSXVE, then in the case of a person employed to provide Investor Relations Activities, not more than 30 days after such person ceases to be employed to provide Investor Relations Activities; PROVIDED that if an Optionee's position changes from one of the said categories to another category, such change shall not constitute termination or cessation for the purpose of this Subsection 9.1(c); and

(d) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option in violation of Section 8.1.

9.2 **Lapsed Options** – If Options are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options. If an Option has

been surrendered in connection with the regranting of a new Option to the same Optionee on different terms than the original Option granted to such Optionee, then, if required, the new Option is subject to approval of the Exchange.

9.3 **Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement** – If the Optionee retires, resigns or is terminated from employment or engagement with Apogee or any Subsidiary Corporation, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not vested at that time or which, if vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

10. ADJUSTMENTS TO OPTIONS

10.1 **Alteration in Capital Structure** – If there is any change in the Shares through or by means of a declaration of stock dividends of the Shares or consolidations, subdivisions or reclassifications of the Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option and the Option Price therefor shall be adjusted proportionately by the Board and, if required, approved by the Exchange, and such adjustment shall be effective and binding for all purposes of the Plan.

10.2 **Effect of Amalgamation, Merger or Arrangement** – If Apogee amalgamates, merges or enters into a plan of arrangement with or into another corporation, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, merger or arrangement if the Optionee had exercised the Option immediately prior to the record date applicable to such amalgamation, merger or arrangement, and the exercise price shall be adjusted proportionately by the Board and such adjustment shall be binding for all purposes of the Plan.

10.3 **Acceleration on Change in Control** – Upon a Change in Control, all Options shall become immediately exercisable, notwithstanding any contingent vesting provisions to which such Options may have otherwise been subject.

10.4 **Acceleration of Date of Exercise** – Subject to the approval of the Exchange, if required, the Board shall have the right to accelerate the date of vesting of any portion of any Option which remains unvested.

10.5 **Determinations to be Binding** – If any questions arise at any time with respect to the Option Price or exercise price or number of Option Shares or other property deliverable upon exercise of an Option following an event referred to in this Section 10, such questions shall be conclusively determined by the Board, whose decisions shall be final and binding.

10.6 **Effect of a Take-Over** – If a *bona fide* offer (the "Offer") for Shares is made to an Optionee or to shareholders generally or to a class of shareholders which includes the Optionee, which Offer constitutes a take-over bid within the meaning of the Act, Apogee shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon any Option held by an Optionee may be exercised in whole or in part, notwithstanding any contingent vesting provisions to which such Options may have otherwise been subject, by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise (the "Optioned Shares") to the Offer. If:

(a) the Offer is not completed within the time specified therein; or

(b) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror pursuant thereto;

the Optioned Shares or, in the case of clause (b) above, the Optioned Shares that are not taken up and paid for, may be returned by the Optionee to Apogee and reinstated as authorized but unissued Shares and with respect to such returned Optioned Shares, the Option shall be reinstated as if it had not been exercised. If any Optioned Shares are returned to Apogee under this Section, Apogee shall refund to the Optionee any Option Price paid for such Optioned Shares.

11. APPROVAL, TERMINATION AND AMENDMENT OF PLAN

11.1 **Shareholder Approval** – This Plan, if the Shares are listed only on the TSXVE, is subject to Disinterested Shareholder Approval on a yearly basis at Apogee's next ensuing annual general meeting.

11.2 **Power of Board to Terminate or Amend Plan** – Subject to the approval of the Exchange, if required, the Board may terminate, suspend or discontinue the Plan at any time or amend or revise the terms of the Plan; provided, however, that, except as provided in Section 10, the Board may not do any of the following without obtaining, within 12 months either before or after the Board's adoption of a resolution authorizing such action, approval by Apogee's shareholders at a meeting duly held in accordance with the applicable corporate laws:

(a) increase the maximum number of Shares which may be issued under the Plan;

(b) materially modify the requirements as to eligibility for participation in the Plan; or

(c) materially increase the benefits accruing to participants under the Plan;

however, the Board may amend the terms of the Plan to comply with the requirements of any applicable regulatory authority, or as a result of changes in the policies of the Exchange relating to director, officer and employee stock options, without obtaining the approval of Apogee's shareholders.

11.3 **No Grant During Suspension of Plan** – No Option may be granted during any suspension, or after termination, of the Plan. Amendment, suspension or termination of the Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

12. CONDITIONS PRECEDENT TO ISSUANCE OF SHARES

12.1 **Compliance with Laws** – Shares shall not be issued with respect to an Option unless the exercise of such Option and the issuance and delivery of such shares shall comply with all relevant provisions of law, including, without limitation, any applicable United States' state securities laws, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations thereunder and the requirements of any Exchange or automated interdealer quotation system of a registered national securities association upon which such Shares may then be listed or quoted, and such issuance shall be further subject to the approval of counsel for Apogee with respect to such compliance, including the availability of an exemption from registration for the issuance and sale of such Shares. The inability of Apogee to obtain from any regulatory body the authority deemed by Apogee to be necessary for the lawful issuance and sale of any Shares under this Plan, or the unavailability of an exemption from registration for the issuance and sale of any Shares under this Plan, shall relieve Apogee of any liability with respect to the non-issuance or sale of such Shares other than with respect to a refund of any Option Price paid.

13. USE OF PROCEEDS

13.1 **Use of Proceeds** – Proceeds from the sale of Shares pursuant to the Options granted and exercised under the Plan shall constitute general funds of Apogee and shall be used for general corporate purposes, or as the Board otherwise determines.

14. NOTICES

14.1 **Notices** – All notices, requests, demands and other communications required or permitted to be given under this Plan and the Options granted under this Plan shall be in writing and shall be either delivered personally to the party to whom notice is to be given, in which case notice shall be deemed to have been duly given on the date of such personal delivery; telecopied, in which case notice shall be deemed to have been duly given on the date the telecopy is sent; or mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given on the tenth postal delivery day following the date of such mailing.

15. MISCELLANEOUS PROVISIONS

15.1 **No Obligations to Exercise** – Optionees shall be under no obligation to exercise Options granted under this Plan.

15.2 **No Obligation to Retain Optionee** – Nothing contained in this Plan shall obligate Apogee or any Subsidiary Corporation to retain an Optionee as an employee, officer, director or consultant for any period, nor shall this Plan interfere in any way with the right of Apogee or any Subsidiary Corporation to reduce such Optionee's compensation.

15.3 **Binding Agreement** – The provisions of this Plan and of each Option Agreement with an Optionee shall be binding upon such Optionee and the Qualified Successor or Guardian of such Optionee.

15.4 **Use of Terms** – Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender shall include either or both genders.

15.5 **Headings** – The headings used in this Plan are for convenience of reference only and shall not in any way affect or be used in interpreting any of the provisions of this Plan.

15.6 **No Representation or Warranty** – Apogee makes no representation or warranty as to the future value of any Shares issued in accordance with the provisions of this Plan.

15.7 **Income Taxes** – The Company shall have the power and the right to deduct or withhold, or require an Optionee to remit to the Company, the required amount to satisfy federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of any Option granted under the Plan. With respect to any required withholding, the Company shall have the irrevocable right to, and the Optionee consents to, the Company setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Company to the Optionee (whether arising pursuant to the Optionee's relationship as a director, officer, employee or consultant of the Company or otherwise), or may make such other arrangements that are satisfactory to the Optionee and the Company. In addition, the Company may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Shares issuable upon exercise of the Options as it determines are required to be sold by the Company, as trustee, to satisfy any withholding obligations net of selling costs. The Optionee consents to such sale and grants to the Company an irrevocable power of attorney to effect the sale of such Shares issuable upon exercise of the Options and acknowledges and agrees that the Company does not accept responsibility for the price obtained on the sale of such Shares issuable upon exercise of the Options.

15.8 **Compliance with Applicable Law** – If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange or over the counter market having authority over Apogee or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

15.9 **Conflict** – In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

15.10 **Governing Law** – This Plan and each Option Agreement issued pursuant to this Plan shall be governed by the laws of the Province of Ontario.

15.11 **Time of Essence** – Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be, or to operate as, a waiver of the essentiality of time.

15.12 **Entire Agreement** – This Plan and the Option Agreement sets out the entire agreement between Apogee and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

16. EFFECTIVE DATE OF PLAN

16.1 **Effective Date of Plan** – This Plan shall be effective on the later of the day of its approval by the shareholders of Apogee given by way of ordinary resolution and the day of its acceptance for filing by the Exchange.

Schedule "C"

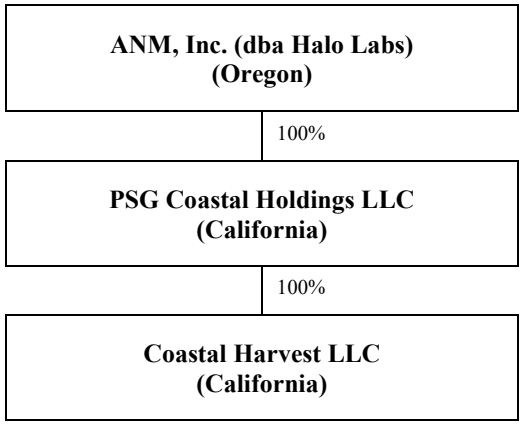
INFORMATION CONCERNING HALO

All references to Halo throughout this Schedule "C" of the Circular refer to Halo and any subsidiaries of Halo which, unless the context dictates otherwise, for the purposes of this Schedule "C" are treated as a single entity.

CORPORATE STRUCTURE

Halo was formed as a corporation under the laws of the State of Oregon on March 18, 2016. Halo's head office is located at 130 West Clark Street, Medford, Oregon 97501, and Halo's registered office is located at 805 SW Broadway, Suite 2400, Portland, OR 97205. There is no public market for the Halo Common Shares.

As illustrated by the chart below, PSG Coastal Holdings LLC ("**PSG Coastal**") is a wholly-owned subsidiary of Halo. PSG Coastal was formed under the laws of the State of California on May 23, 2017. Coastal Harvest LLC ("**Coastal Harvest**") is a wholly-owned subsidiary of PSG Coastal. Coastal Harvest was formed under the laws of the State of California on March 30, 2016.



BUSINESS

Halo is a United States-based manufacturer of cannabis oil and concentrates that cultivates cannabis plants and utilizes its proprietary technology to extract oils and manufacture concentrates in Oregon. Halo has subsidiaries for its planned licensed recreational cannabis operations in California, a management agreement with a Nevada company with medical and recreational marijuana licenses, and a binding term sheet to acquire such licenses from the Nevada company.

Overview

Summary of Halo's United States Cannabis Activity

Halo's U.S. cannabis activities include:

- The cultivation, processing and wholesaling of cannabis and cannabis extracts in Oregon to licensed retailers and wholesalers pursuant to recreational marijuana licenses issued to Halo by the OLCC. Currently, substantially all of Halo's revenue is derived from the sale of cannabis products in the State of Oregon under the state's regulated Recreational Marijuana Program.

- A sub-leased manufacturing facility of approximately 1,600 square feet in Cathedral City, California, which will operate under a Cannabis Business Local license issued by the city, a Temporary Type 7

Manufacturing License for Medicinal Cannabis Products issued by the California Department of Public Health and a Temporary Type 7 Manufacturing License for Adult-Use Cannabis Products issued by the California Department of Public Health. Halo is in the process of building out this cannabis manufacturing facility in Cathedral City, California and has applied for an Annual Type 7 Manufacturing License for Adult-Use Cannabis Products to the California Department of Public Health. Halo anticipates that it will begin manufacturing and selling cannabis products from this facility in California in September 2018.

- Effective July 30, 2018, Halo entered into a Membership Interest Contribution Agreement pursuant to which it intends to acquire an additional licensed entity and sublease a separate 7,800 square foot manufacturing and distribution facility in Cathedral City, California.

- A management agreement dated June 8, 2017 (the "**Management Agreement**") with Just Quality, LLC ("**Just Quality**") related to the operation of a marijuana manufacturing business in Las Vegas, Nevada under Just Quality's Nevada Marijuana Product Manufacturing License and its Nevada Medical Marijuana Product Establishment certificate (the "**Nevada Licensed Manufacturing Business**"). Under the terms of the Management Agreement, Halo is entitled to a percentage of gross revenue after payment of license holder fees of US$20,000 per month and payment of minimum monthly expenditures of the Nevada Licensed Manufacturing Business in exchange for management services provided in connection with the operation of the Nevada Manufacturing Licensed Business. Halo began operations under this Management Agreement in Las Vegas, Nevada in August 2018.

- On July 19, 2018, Halo entered into a binding term sheet with Just Quality to purchase the Nevada marijuana licenses described above, as well as their Nevada marijuana cultivation facility license and a Nevada marijuana distributor license from Just Quality. Halo intends to enter into an additional management agreement with Just Quality to operate under the marijuana cultivation facility license pending its transfer to Halo.

In addition to the above activities, Halo is also monitoring additional opportunities in these and other jurisdictions to expand its cannabis operations.

The following table is a summary of Halo's balance sheet exposure to U.S. cannabis-related activities as of December 31, 2017:

ANM Inc.
Consolidated Statement of Financial Position
Expressed in US Dollars

	December 31, 2017		
ASSETS		**LIABILITIES**	
CURRENT ASSETS		**CURRENT LIABILITIES**	
Cash	144,255	Accounts payable and accrued liabilities	2,393,283
Accounts receivable	381,402	Convertible debentures	3,504,048
Inventory	3,636,117	Other loans	2,293,744
Notes receivable	510,837	Income tax payable	322,328
Pre-paid expenses and other	166,056	Deferred tax liability	140,000
		Embedded derivative liability	134,463
Total current assets	**4,838,667**	**Total current liabilities**	**8,787,866**
		Shareholders' equity (deficiency)	
		Share capital	5,443,337
Long-term		Warrant and option reserve	3,724,835
Property, plant and equipment	2,444,692	Convertible debenture conversion option	150,193
Intangibles	2,130,444	Deficit	(8,692,427)
Total long-term assets	**4,575,136**	**Total shareholders' equity (deficiency)**	**625,937**
TOTAL ASSETS	**9,413,803**	**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**	**9,413,803**

History

Formation

Halo was formed on March 18, 2016 by filing its Articles of Incorporation with the Oregon Secretary of State. The business began in April 2016 in co-founder Andreas Met's chicken coop, manufacturing cannabis concentrates and oils and providing them to medical marijuana patients in the state of Oregon. In June 2016, Halo moved to its current 12,000 square foot manufacturing facility in Medford, Oregon with an additional 7,000 square foot enclosed courtyard. Halo's cannabis extraction and manufacturing business rapidly grew to one of the largest in the state. In February 2016, Halo started its first recreational shipments using the state's seed to sale tracking system – METRC by Franwell ("**METRC**"). At the end of 2016, Halo elected to leave the medical marijuana program and operate solely within Oregon's recreational cannabis program regulated by the OLCC. In January 2017, Halo began its first cultivation project at Evans Creek in the Rogue River Valley, near Medford, Oregon, where Halo leases four acres of cultivation premises and manages an additional two acres under licenses held by a third party.

Acquisitions and Dispositions

On June 20, 2017, Halo acquired 100% of the outstanding membership interests of Coastal Harvest, which subleases a 1,600 square foot manufacturing facility in Cathedral City, California. Coastal Harvest holds a Cannabis Business Local license issued by the city of Cathedral City, a Temporary Type 7 Manufacturing License for Medicinal Cannabis Products issued by the California Department of Public Health and a Temporary Type 7 Manufacturing License for Adult-Use Cannabis Products issued by the California Department of Public Health. Halo is in the process of building out this cannabis manufacturing facility in Cathedral City, California and has applied for an Annual Type 7 Manufacturing License for Adult-Use Cannabis Products to the California Department of Public Health.

On July 12, 2018, Halo entered into a Membership Interest Contribution Agreement ("**MICA**") with Elemental Concepts, LLC and Compass Point, LLC for the acquisition of Industrial Court L9, LLC ("**ICL9**"), a California limited liability company which, as a condition to Halo's obligation to close the transaction, will obtain a manufacturing and distribution license from the City of Cathedral City. ICL9 subleases a 7,800 square foot manufacturing and distribution facility in Cathedral City, California. Upon closing the transaction, Halo intends to apply for state cannabis manufacturing and distribution licenses from the California Department of Public Health.

On July 19, 2018, Halo entered into a binding term sheet with Just Quality to purchase from Just Quality (i) a Nevada Medical Marijuana Production Establishment certificate, (ii) a Nevada Marijuana Product Manufacturing License, (iii) a Nevada Medical Marijuana Cultivation Establishment certificate, (iv) a Nevada Marijuana Cultivation Facility License, (v) Just Quality's rights under that certain conditional approval for a Nevada Marijuana Distributor License (collectively, the "**Nevada Marijuana Licenses**"), and (vi) all of Just Quality's assets used in the operations of the businesses operating under or in connection with the Nevada Marijuana Licenses for an aggregate purchase price of US$4,900,000.

Financing Activities

Set out below are the details of recent financing activities undertaken by Halo:

- the sale by Halo of 4,876,305 Halo Common Shares for a purchase price of US$0.8571 per share (which included the conversion of certain convertible promissory notes outstanding into 1,527,611 Halo Common Shares at a conversion price of US$0.77139 per share) pursuant to that certain stock purchase agreement dated March 22, 2017 among Halo and the purchasers thereunder, as amended;

- the issuance by Halo of convertible promissory notes dated June 20, 2017 in an aggregate principal amount of US$1,900,000 as consideration for the acquisition of Coastal Harvest, which the parties have agreed to reduce to US$959,500 pursuant to a letter agreement dated effective June 30, 2018 in connection with the MICA described above and transactions related thereto;

- the issuance by Halo of convertible promissory notes in an aggregate principal amount of US$1,624,500 pursuant to that certain convertible note purchase agreement dated July 13, 2017 among Halo and the purchasers thereunder;

- a loan agreement dated October 10, 2017 between AV Oregon LLC (as successor to Archytas Ventures, LLC) and Halo, as amended, as well as the related promissory note and security documents, pursuant to which Halo borrowed US$750,000 from AV Oregon, LLC;

- the issuance by Halo of convertible promissory notes in an aggregate principal amount of US$1,679,900 pursuant to that certain note purchase and loan agreement dated January 18, 2018 among Halo and the purchasers thereunder;

- the issuance by Halo of convertible promissory notes dated June 30, 2018 to certain related parties of Halo in the aggregate principal amount of US$1,095,901 in exchange for prior cash advances and deferred compensation;

- the issuance by Halo of promissory notes dated June 30, 2018 to certain related parties of Halo in the aggregate principal amount of US$703,070 in exchange for prior cash advances and deferred compensation; and

- the issuance to Dr. Satwant Sidhu and Philip van den Berg of promissory notes dated July 20, 2018 in an aggregate principal amount of US$500,000 to fund the first deposit under the binding term sheet between Halo and Just Quality dated July 19, 2018.

Additionally, Halo is undertaking the Halo Oregon Offering of convertible promissory notes and warrants for up to approximately US$10,000,000, which will close in multiple tranches upon approval of the subscribers by the OLCC, with the final closing to occur prior to the closing of the Business Combination. The monies raised from the Halo Oregon Offering are being directly funded to Halo.

The Halo Oregon Offering consists of Halo Pre-RTO Notes, bearing 10% simple interest that, upon satisfaction of the Escrow Release Conditions, will automatically convert into the Halo Pre-RTO Units consisting of 0.7407 Halo Common Shares and 0.7407 Halo Warrants at a conversion price of CAD$0.40 per Halo Pre-RTO Unit. Upon completion of the Business Combination, each whole Halo Common Share and whole Halo Warrant will be exchanged into 1.35 Resulting Issuer Common Shares and 1.35 Resulting Issuer Warrants, with each whole Resulting Issuer Warrant exercisable into one Resulting Issuer Common Share at a price of CAD$0.80 until December 31, 2020. The Halo Warrants will have substantially the same terms as the Apogee Warrants to be issued on the conversion of the Special Units, including the acceleration right.

If the Halo Pre-RTO Notes have not yet converted as described above, the principal and accrued interest on the notes will be due and payable on the earlier of (a) December 28, 2018, or (b) a change of control of Halo.

In addition, the Halo Oregon Offering includes the Additional Warrant**,** entitling the holder to acquire an additional 0.7407 Halo Common Shares for each CAD$0.40 of principal under the Halo Pre-RTO Notes purchased by holders in the Halo Oregon Offering. Upon the closing of the Business Combination, each Additional Warrant will be exchanged into one Resulting Issuer Warrant exercisable until May 30, 2020 at an exercise price of CAD$0.50. If at any time after four months and one day from the closing of the Business Combination, the Resulting Issuer Common Shares trade at a VWAP of CAD$2.50 per Resulting Issuer Common Share or higher for a period of 20 consecutive trading days, the Resulting Issuer will have the right to accelerate the expiry date of the Additional Warrant to the date that is 30 days after the Resulting Issuer issues a news release announcing that it has elected to exercise this acceleration right.

Pursuant to the terms of the Halo Oregon Offering, Halo has agreed to pay to eligible finders a cash commission of up to 9% of the gross proceeds raised in the Halo Oregon Offering or a combination of up to 6.0%

cash compensation and Oregon Finder Units equal to up to 6.0% of the Halo Pre-RTO Units and Additional Warrants issued through the Halo Oregon Offering.

In addition, the Agents may be entitled to a commission on conversions of the Halo Pre-RTO Notes, to consist of a cash commission equal to 1% of the dollar amounts converted into Resulting Issuer Common Shares and Warrants, as well as a 1% warrant commission in Resulting Issuer Warrants exercisable at CAD$0.80 for each CAD$0.40 of Halo Pre-RTO Notes converted into Resulting Issuer Common Shares and Warrants. The actual number of Resulting Issuer Warrants issuable to the Agents under this arrangement is subject to negotiation prior to the completion of the Business Combination.

CULTIVATION, PRODUCTION AND DISTRIBUTION

Cultivation

Halo currently cultivates cannabis in Oregon under OLCC cultivation licenses and intends to begin cultivating cannabis in Nevada under a management agreement to be entered into with Just Quality, pending the closing of Halo's acquisition of certain Nevada cannabis licenses and related assets from Just Quality. Halo intends to cultivate cannabis in jurisdictions where it believes its own cultivation activities are necessary to ensure adequate and cost-effective supply of raw cannabis materials for the production of cannabis oil and concentrates. Halo does not currently intend to engage in cannabis cultivation in California.

In Oregon, Halo holds OLCC cannabis production licenses for outdoor cannabis cultivation on approximately four acres of farmland. Halo also manages outdoor cannabis cultivation on two additional adjacent acres under third party production licenses, with the raw material produced contracted to Halo. In 2017, the first year of cannabis cultivation by Halo at this site (or otherwise), the site produced approximately 10,666 pounds of usable dried cannabis material (including A bud, B bud and trim) at a cost of approximately US$110 per pound (including amortization of capital expenditures over five years). Despite the current oversupply of cannabis flower and trim in Oregon, Halo is continuing to cultivate at this site to help ensure a consistent supply of high quality raw material for its manufacture of cannabis oils and concentrates. Halo also maintains its cultivation operations in Oregon as a hedge against price volatility for raw cannabis materials. At Halo's current sales levels, its cannabis cultivation operations in Oregon provide approximately ten weeks of supply for its Oregon manufacturing needs.

In Nevada, Halo entered into a binding term sheet on July 19, 2018 with Just Quality to acquire production and cultivation licenses. Pending the closing of this acquisition, Halo intends to operate a small indoor grow in northern Las Vegas under a management arrangement to be entered into with Just Quality. This cultivation operation will include four rooms: one room of approximately 375 square feet dedicated to vegetating plants, and three rooms dedicated to flowering plants, each approximately 625 square feet. Halo is evaluating moving this cultivation license to a 20-acre site in Indian Springs, Nevada, the lease for which is currently being negotiated; however, Halo is continuing to evaluate possible alternatives and has not yet made a final determination regarding a site for this cultivation license. This site in Indian Springs is approximately 40 miles from Halo's production facility in Las Vegas. Halo intends to cultivate cannabis in Nevada using low-cost light-deprivation hoop houses to cultivate raw cannabis material primarily for use in its manufacturing of cannabis oils and concentrates. Halo's management believes there is currently an undersupply of wholesale cannabis materials in Nevada, with wholesale prices currently in the range of US$600 – US$900 per pound for trim, depending on quality. A number of projects to commence cultivation operations are underway to capitalize on this perceived market opportunity, most of which Halo believes are indoor cultivation operations. In acquiring a Nevada cultivation license and developing an outdoor hoop-house cultivation operation in Nevada, Halo aspires to become self-reliant in producing quality raw material at low cost, which it believes will provide Halo with a sustainable competitive advantage in the Nevada market.

In California, Halo intends to leverage its relationships with cannabis cultivators from the Emerald Triangle with whom Halo has worked in Southern Oregon. The so-called Emerald Triangle is a region in Northern California comprising Humboldt, Mendocino and Trinity Counties and is considered to be the largest cannabis-producing region in the United States. Halo intends to enter into cannabis material supply agreements with cultivators in this area with whom Halo has existing relationships. Halo believes that the price for pesticide-free outdoor cannabis material from licensed producers in Northern California will range from US$80 to US$160 per

pound (before taxes), depending on quality and strain of the raw material. In the short to medium term, Halo believes that cannabis material will be in abundant supply in California and is accordingly not currently intending to establish its own cultivation operations in the state. However, Halo may take advantage of cultivation acquisition or development opportunities if they arise.

Production (Manufacturing)

Halo's core competency is the production (also referred to as manufacturing and extraction) of cannabis oil and concentrates for sale to retail businesses and wholesale distributers as finished consumer-packaged goods. Halo's co-founders have been involved in this business since 2013. Halo itself has manufactured and sold over 2.3 million grams of cannabis oil and concentrates since April 2016. Halo's philosophy with respect to the extraction and manufacturing of cannabis oils and concentrates is to be platform-agnostic, given the rapid evolution of technology and consumer preferences. Halo operates numerous extraction platforms (or methods) including utilizing butane, propane, hexane, ethanol and carbon dioxide. Halo produces and sells over 50 products in the following categories: concentrates – shatter, sauce, resin and diamonds (THC-A crystals); oils – both in raw and distillated form in a variety of strains and flavors, as well as THC, CBD and blends. Halo packages and sells these oils primarily in glass cartridges, but also offers plastic cartridges and in syringes for consumption as dabs. Halo also manufactures and sells made-to-order distillates to edible manufactures. Halo is considering entering into the edibles market with a low-cost candy line.

Halo's flagship manufacturing facility is in Medford, Oregon. The facility has approximately 12,000 square feet of indoor manufacturing space, as well as an enclosed courtyard of approximately 7,200 square feet. Within the 12,000 square foot indoor facility, approximately 1,400 square feet is a segregated C1D1 explosive-proof room for volatile extraction. Halo utilizes all the extraction methods noted above in its Medford facility other than ethanol extraction. The Medford facility also houses Halo's wholesale-licensed business, which occupies approximately 800 square feet and is one of the largest in the state.

In Nevada, Halo manages the operation of a manufacturing facility located near the Las Vegas international airport. Halo currently operates a 2,000 square foot portion of this facility under a management arrangement with Just Quality. Halo is currently designing the remainder of the 8,000 square foot facility and will soon be submitting its plans to the city for approval. This facility also includes an adjacent courtyard area, which Halo is currently utilizing as temporary offices and intends to utilize for storage in the future. Halo intends to manufacture using both volatile extraction methods (e.g., butane and propane) in a C1D1 explosive-proof room, and non-volatile methods (e.g., carbon dioxide and ethanol) in properly ventilated areas. Halo intends to produce its entire suite of cannabis oils and concentrates in this Las Vegas facility.

In Southern California, Halo is currently working towards commencing manufacturing operations from two facilities and distribution from one facility in Cathedral City. The first facility is approximately 1,600 square feet with approximately 500 square feet dedicated for volatile extraction as a C1D1 explosive-proof room. This facility will produce winterized and decarboxylated butane hash oil (referred to as "**BHO**") for sale to distillate companies which use it to manufacture finished cannabis oil. Halo believes this facility will be capable of producing 250 pounds of this product per week when operating at full capacity.

The second facility which Halo intends to operate in Southern California is located within a half mile from the first facility and is approximately 7,800 square feet. Halo's manufacturing operations at this facility will include non-volatile extraction and light assembly. Halo also intends to utilize the facility to house its distribution business for Southern California.

Distribution (Wholesale)

Halo currently operates a licensed distribution (wholesale) business in Oregon and has entered into a binding term sheet with Just Quality to acquire a distribution license in Nevada, and the MICA with ICL9 to acquire a distribution license in Southern California.

Halo's distribution (wholesale) business in Oregon is focused exclusively on the wholesaling of Halo's products. Halo currently employs eight salespeople that call on approximately 300 cannabis retailers in the state, and

six dedicated drivers to deliver products to these dispensary clients. Halo intends to hire two or three additional salespeople to focus primarily on wholesale to edible manufacturing companies as well as more deeply penetrate the Portland market. The greater Portland area represents approximately 70% of the Oregon cannabis market. Halo is seeking an additional wholesale license in the Portland area so that its product can be stored in Portland and it can operate a cash and carry business for its wholesale and dispensary clients in the area.

Halo intends to distribute its own products in Nevada as soon as it is legally able to do so. Under a Nevada Supreme Court order, the Nevada Department of Taxation (the cannabis licensing body in Nevada) is currently prohibited from issuing cannabis distribution licenses to applicants other than those currently licensed to distribute alcohol. This moratorium is expected to end in approximately six months, following the conclusion of an 18-month exclusivity period for alcohol distributors.

In California, Halo is working to build its distribution framework in Southern California, including by recruiting a senior sales executive from the liquor and beverage industry and working with established cultivators and product manufacturers to establish distribution channels for its own products. In Northern California, Halo is in discussions with landlords and license holders in the Bay Area and Sacramento region to establish a distribution hub.

CORPORATE STRATEGY

Halo's strategy in the near term is to roll out its business model of manufacturing oil and concentrates as finished goods for sale to dispensaries and large wholesalers as either private label or branded product. Halo currently markets over 50 different products and uses an opening price point strategy across its product range. In the near term, Halo's geographic focus is in California, Nevada and Oregon. Recently, Halo has been approached by international operators outside North America to license its technology and provide cannabis manufacturing and low-cost cultivation expertise for manufacturing. Halo intends to establish an office in Vancouver in part to manage this international effort separately from its US operations, so as not to deter from its core geographic focus in the Western United States.

Halo plans to leverage its core expertise in manufacturing cannabis oils and concentrates and cultivating low cost raw material for manufacturing. The founding shareholders of Halo have been investors, advisors, officers and directors of cannabis manufacturing businesses since 2013. Halo maintains proprietary trade secrets in its manufacturing processes developed by two of its founding shareholders; Dr. Parkash Gill M.D. and Dr. Valery Krasnoperov PhD. In addition, Halo is actively collaborating with third parties to develop and launch proprietary products to fill market voids. The first of these proprietary products is the Dab Tab™, which expands the user base for dabbables. The Dab Tab™ transforms the dabbable product category from primarily an at-home use case to enable users to use the dabbables quickly on the go while making the entire dabbing process cleaner and more effective; i.e., it is intended to be "no mess and no stress".

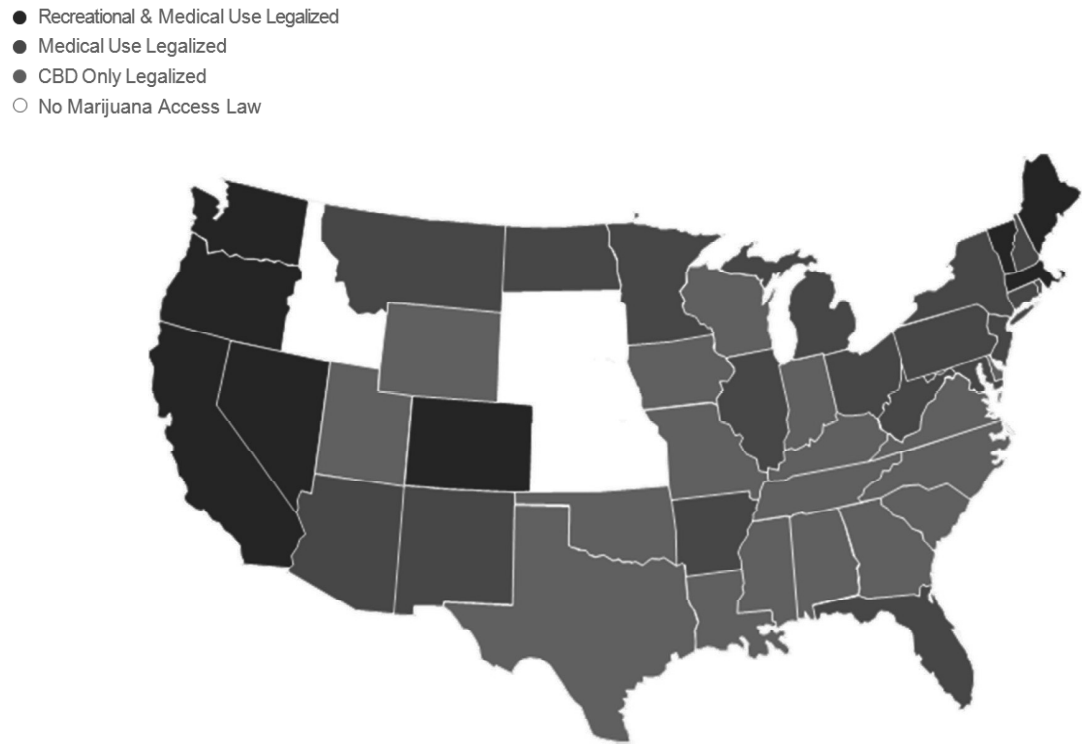
Halo also manages its own distribution in Oregon and plans to do the same in California and Nevada (when legally possible). Halo currently has its own direct sales force in Oregon that calls on dispensary and wholesale clients (primarily edibles manufacturers) and plans to do the same in California and Nevada.

RESEARCH AND DEVELOPMENT

Halo’s research and development initiatives are headed up by two of Halo’s founding shareholders: Dr. Parkash Gill M.D., an endowed chair professor of hematology and oncology at the Keck School of Medicine at the University of Southern California and Dr. Valery Krasnoperov PhD, a renowned Biochemist with numerous National Institute of Health grants. Dr. Gill and Dr. Krasnoperov have been focused on developing production processes to reduce manufacturing cost and increase product quality and shelf life. In addition to these efforts, Halo has formed a relationship with Iconic Ventures, LLC ("**Iconic**"), led by industrial designer Michael Lindars. Halo intends to license Iconic's Dab Tab™ product line for production and distribution.

UNITED STATES INDUSTRY BACKGROUND AND TRENDS

State Status of Legalization



United States Federal Overview

In the United States, 30 states and the U.S. territories of Guam and Puerto Rico allow the use of medical cannabis. Voters in the states of Alaska, California, Colorado, Maine, Massachusetts, Nevada, Oregon, Washington and the District of Columbia have approved the legal sale and adult-use of recreational cannabis. The District of Columbia and Vermont have legalized adult-use of recreational cannabis but do not allow the sale of recreational cannabis.

At the federal level, however, cannabis currently remains a Schedule I controlled substance under the Federal Controlled Substances Act of 1970 ("**Federal CSA**"). Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. As such, even in those states in which cannabis is legalized under state law, the manufacture, importation, possession, use or distribution of cannabis remains illegal under U.S. federal law. This has created a dichotomy between state and federal law, whereby many states have elected to regulate and remove state-level penalties regarding a substance which is still illegal at the federal level. **Halo's U.S. cannabis operations are illegal under U.S. federal law and the enforcement of relevant laws is a significant risk.**

Although federally illegal, the U.S. federal government's approach to enforcement of such laws has, at least until recently, trended toward non-enforcement. On August 29, 2013, the U.S. Department of Justice ("**U.S. DOJ**") issued a memorandum known as the Cole Memorandum (the "**2013 Cole Memorandum**") to all U.S. attorneys' offices ("**U.S. Attorneys**"). The 2013 Cole Memorandum generally directed U.S. Attorneys not to

prioritize the enforcement of federal cannabis laws against individuals and businesses that rigorously comply with state regulatory provisions in states with strictly-regulated medical or adult-use cannabis programs. The 2013 Cole Memorandum, while not legally binding, assisted in managing the tension between state and federal laws concerning state-regulated cannabis businesses.

Rescission of the 2013 Cole Memorandum

On January 4, 2018, U.S. Attorney General Jeff Sessions rescinded the 2013 Cole Memorandum, replacing it with the "**Sessions Memorandum**". The stated rationale of the U.S. DOJ in doing so was that the 2013 Cole Memorandum was "unnecessary" due to existing general enforcement guidance adopted in the 1980s, as set forth in the U.S. Attorneys' Manual (the "**USAM**"). The USAM enforcement priorities, like those of the 2013 Cole Memorandum, are also based on the federal government's limited resources, and include "law enforcement priorities set by the Attorney General", the "seriousness" of the alleged crimes, the "deterrent effect of criminal prosecution" and "the cumulative impact of particular crimes on the community".

While the Sessions Memorandum is not law itself and therefore does not change U.S. federal law, it does add to the uncertainty of U.S. federal enforcement of the Federal CSA in states where cannabis is legal under state law. The Sessions Memorandum gives U.S. Attorneys discretion in deciding whether to prosecute cannabis-related activities, including in such states that have legalized cannabis. While the Sessions Memorandum emphasized that cannabis is a Schedule I controlled substance and reiterated the statutory view that cannabis is a "dangerous drug and marijuana activity is a serious crime", it does not otherwise confirm for U.S. Attorneys that prosecution of cannabis-related offenses is now a U.S. DOJ priority.

State-Level Regulatory Overview

The following sections present a summary overview of the cannabis regulatory framework in the states in which Halo is currently operating, namely Oregon, Nevada and California. Strict compliance with such laws may neither absolve Halo of liability under U.S. federal law, nor may it provide a defense to any federal proceeding which may be brought against Halo.

Summary of Oregon Regulatory Framework

In 1998, Oregon voters passed a limited non-commercial patient/caregiver medical cannabis law allowing physicians to recommend cannabis for certain qualifying conditions such as chronic pain. In 2013, the Oregon legislature passed, and the governor signed, House Bill 3460 to create a regulatory structure for the existing unlicensed medical cannabis program. This program is known as the Oregon Medical Marijuana Program ("**OMMP**"). However, the regulations created by the Oregon Health Authority ("**OHA**") under House Bill 3460 were minimal and only regulated dispensaries, leaving cultivators and processors within the unregulated patient/caregiver system. In November 2014, Oregon voters passed Measure 91, creating the Recreational Marijuana Program for individuals 21 years of age or older. In June 2015, Oregon Governor Brown signed House Bill 3400 into law, which improved on the existing OMMP and created a licensing process for businesses hoping to enter the Recreational Marijuana Program. The OHA regulates OMMP participants while the OLCC regulates the Recreational Marijuana Program, which includes producers, processors, wholesalers, laboratories and retailers who sell recreational cannabis to consumers as well as medical grade cannabis to OMMP patients tax-free.

The laws and rules that govern the Recreational Marijuana Program do not impose a limit on the number of licenses an entity can hold. Further, the OLCC currently accepts applications for either medical or recreational cannabis businesses on a rolling basis. Local governments have the authority to prohibit or restrict the number of medical or recreational cannabis businesses within their jurisdictions. There are no residency requirements for medical or recreational licenses in Oregon.

Halo holds processing, cultivation and wholesaling licenses issued by the OLCC. While Halo has implemented a system of policies and procedures to help ensure compliance with the laws and regulations that govern the Recreational Marijuana Program, as described below, Halo was recently sanctioned and fined by the OLCC for regulatory violations. Halo received written notice from the OLCC on November 28, 2017 regarding alleged regulatory violations that carry significant penalties, including the potential loss of Halo's OLCC licenses.

As part of the OLCC's investigation into potential non-compliance by Halo, OLCC representatives inspected Halo's extraction facility in Medford, Oregon on a number of occasions. As a result of its investigation, on March 13, 2018, the OLCC issued to Halo a Notice of Proposed Civil Liability detailing four instances of regulatory violations, including (i) improper placement of security cameras, (ii) inadequate camera coverage, (iii) failure to obtain required pre-approval prior to making changes to its licensed premises, and (iv) failure to properly report a transaction in METRC. The OLCC imposed a fine of US$6,930 as a consequence of such violations. On March 20, 2018, Halo accepted responsibility to pay the fine and reiterated to the OLCC Halo's commitment to ongoing regulatory compliance. While the investigation is now concluded and Halo has remedied the violations identified by the OLCC, Halo may be subject to additional regulatory investigations in the future. Any future instances or allegations of regulatory non-compliance could lead to more significant fines or sanctions, including potential loss of licenses, particularly considering the previous findings of non-compliance by the OLCC.

Halo has implemented a system of policies and procedures that it uses to ensure compliance with the laws and regulations that govern the Recreational Marijuana Program, which includes the following measures: (i) a daily meeting of the Medford facility's senior leadership regarding compliance matters; (ii) daily comparison of Halo's physical inventory to Halo's inventory in METRC, and the resolution of any discrepancies between these numbers; (iii) review of every incoming and outgoing manifest to ensure accuracy, and the report to the OLCC of manifests that have not been closed; (iv) daily review of other production tracking documents (e.g., pesticide tracking log, delivery schedule) for discrepancies and anomalies; (v) ensuring that a mandatory hold is placed on every outgoing product for 24 hours, and such product is placed under camera surveillance during this time, until after it is counted and properly recorded in METRC; (vi) ensuring that only authorized personnel remove cannabis from the licensed facility under the same security cameras, and at the same time every day; (vii) daily random check of inventory conducted by the Medford facility's senior leadership; (viii) monitoring of security cameras for suspicious activity by security staff; and (ix) a once-weekly review of all METRC entries by the Medford facility's senior leadership.

Halo believes it is currently in full compliance with Oregon state law and OLCC licensing requirements.

Summary of Nevada Regulatory Framework

In 2000, Nevada voters passed a medical cannabis initiative allowing physicians to recommend cannabis for certain qualifying conditions such as chronic pain. The initiative created a limited, non-commercial medical cannabis patient/caregiver system. In 2013, Senate Bill 374 was passed by Nevada's legislature and signed by the Governor, which expanded the medical cannabis program and established a for-profit regulated medical cannabis industry. In November 2016, Nevada voters passed an adult-use cannabis ballot measure.

The application process for a Nevada medical cannabis license is merit-based, competitive and is currently closed. (There is currently an application cycle for qualified applicants to apply for additional retail store licenses. A qualified applicant is defined as an entity that currently holds a medical establishment operating certificate.) Nevada residency is not required to own or invest in a Nevada medical cannabis business. Nevada's medical cannabis law includes patient reciprocity, which permits medical patients from other jurisdictions to purchase cannabis from licensed Nevada dispensaries. Nevada also allows medical dispensaries to deliver medical cannabis to patients in Nevada. The Nevada Division of Public and Behavioral Health was responsible for licensing medical cannabis establishments until June 1, 2017, when the medical cannabis program merged with the adult-use cannabis program within the Nevada Department of Taxation. The single regulatory agency is now known as The Marijuana Enforcement Division of the Department of Taxation (the "**Department of Taxation**"). Under Nevada's adult-use cannabis program, the Department of Taxation licenses cannabis cultivation facilities, manufacturing facilities, retail distributors, retail stores and testing facilities. For the first 18 months, applications for adult-use cannabis licenses can be accepted from only existing medical cannabis establishments or, for retail distributor applicants, from existing licensed liquor distributors. On February 27, 2018, the Department of Taxation adopted final rules governing its adult-use cannabis program, pursuant to which up to 133 permanent adult-use cannabis dispensary licenses will be issued.

Halo has entered into the Management Agreement with Just Quality, which holds a cannabis product manufacturing license issued by the Department of Taxation.

Halo believes that its contractual operating structure with Just Quality is compliant with Nevada state law

and the Department of Taxation's regulations; regardless, there is a risk that regulators will disagree with this assessment.

Summary of California Regulatory Framework

In 1996, California voters passed a medical cannabis law allowing physicians to recommend cannabis for qualifying conditions such as chronic pain. In 2016, California voters passed the Control, Regulate and Tax Adult Use of Marijuana Act, which legalized adult-use cannabis for adults over 21 years of age and created a licensing system for commercial cannabis businesses. In June 2017, California Governor Brown signed Senate Bill 94 into law, which combined California's medical and adult-use framework into one licensing scheme under the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("**MAUCRSA**").

Pursuant to MAUCRSA, (i) the California Department of Food and Agriculture, via CalCannabis, issues licenses to cannabis cultivators, (ii) the California Department of Public Health, via the Manufactured Cannabis Safety Branch, issues licenses to cannabis manufacturers, and (iii) the California Department of Consumer Affairs, via the Bureau of Cannabis Control, issues licenses to cannabis distributors, testing laboratories, retailers and microbusinesses. These three licensing agencies have adopted emergency regulations (California Code of Regulations ("**CCR**") Title 3 § 8000; 17 CCR § 40100; and 16 CCR § 5000, respectively), and published draft regular regulations, to implement MAUCRSA. The emergency regulations, which are currently in effect as of this writing, desegregated the medicinal and adult-use supply chains, such that licensees may conduct commercial cannabis activities with other licensees regardless of the "A" or "M" designations on their licenses (3 CCR § 8214; repeal of 17 CCR § 40175(c)-(d) and § 40600; 16 CCR § 5032(b)). MAUCRSA and its implementing regulations provide for 25 different types of cannabis licenses across seven different categories:

1. *Cultivation Facility:* license to cultivate, process and package cannabis; and to sell cannabis to cannabis distributors but not to consumers. The California Department of Food and Agriculture has authority to issue 14 different types of cultivation licenses.

2. *Distributor*: license to purchase cannabis from cultivators, manufacturers and other distributors; to store cannabis; to have cannabis tested by a testing facility; to sell cannabis to other distributors and to retailers; and to transport cannabis from a cannabis licensee's premises to another cannabis licensee's premises. The Bureau of Cannabis Control has authority to issue two different types of distribution licenses.

3. *Product Manufacturing Facility*: license to purchase cannabis from distributors; to manufacture, process, and package cannabis and cannabis products; and to sell cannabis and cannabis products to distributors but not to consumers. Pursuant to this category, cannabis products include edibles, ointments, tinctures, oils and other concentrates. The California Department of Public Health has authority to issue five different types of manufacturing licenses.

4. *Testing Laboratory*: license to test cannabis and cannabis products for potency and contaminants. The Bureau of Cannabis Control issues this type of license.

5. *Retailer*: license to purchase cannabis and cannabis products from distributors, as well as to sell cannabis and cannabis products directly to consumers. The Bureau of Cannabis Control has authority to issue two different types of retail licenses.

6. *Microbusiness*: license to cultivate cannabis on an area less than 10,000 square feet; to purchase cannabis from cultivators, manufacturers and distributors; to store cannabis; to have cannabis tested by a testing facility; to sell cannabis to retailers and distributors; to transport cannabis from one cannabis licensee's premises to another; to manufacture, process and package cannabis and cannabis products; and to sell cannabis and cannabis products directly to consumers. The Bureau of Cannabis Control issues this type of license.

7. *Cannabis Event Organizer*: license to hold a temporary cannabis event where the onsite sale and consumption of cannabis goods is authorized at the location indicated on the license during the dates

indicated on the license. The Bureau of Cannabis Control issues this type of license.

There is no limit on the number of state licenses an entity may hold; however, testing laboratory licensees may not have any other type of license. To operate a cannabis business legally under California state law, cannabis businesses must also obtain local approval. Local governments are permitted to prohibit or otherwise regulate the types and numbers of cannabis businesses allowed in their locality. All three state regulatory agencies require confirmation from the locality that the business is operating in compliance with local requirements and was granted authorization to commence or continue operations within the locality's jurisdiction. There are no residency requirements for medical or adult-use licenses under MAUCRSA.

In 2017 Halo acquired 100% of the membership interests of Coastal Harvest, which currently holds a Cannabis Business Local License issued by the city of Cathedral City, California; a Temporary Type 7 Manufacturing License for Medicinal Cannabis Products issued by the California Department of Public Health; and, a Temporary Type 7 Manufacturing License for Adult-Use Cannabis Products issued by the California Department of Public Health. Coastal Harvest is in the process of building out its cannabis manufacturing facility in Cathedral City, California, and has applied to the California Department of Public Health for an Annual Type 7 Manufacturing License for Adult-Use Cannabis Products. Halo anticipates that it will be able to begin manufacturing and selling cannabis products in California through Coastal Harvest in approximately September 2018.

Compliance with Applicable State Law in the United States.

Halo works closely with its legal counsel, operating partners and regulatory officials to maintain compliance with applicable state and local regulatory requirements. Halo will continue to do so to develop and improve its internal compliance programs to help ensure ongoing regulatory compliance.

Please see the discussion above regarding a recently concluded investigation by the OLCC, which resulted in findings of regulatory non-compliance by Halo in Oregon, and the imposition of a fine of US$6,930 as a consequence of such violations.

GROWTH STRATEGY

Continued Expansion in the U.S. Market

Oregon

Halo plans to acquire a wholesale license and facility in the Portland area to provide Halo with quicker access to Portland (which is currently Oregon's largest market for cannabis), that Halo anticipates will increase the distribution of Halo's products in the greater Portland area as well reduce transportation and delivery costs from its principal operations hub in located in Medford in Southern Oregon (approximately 275 miles from Portland). In addition, Halo anticipates undertaking the following activities in an effort to grow Halo's business in Oregon:

- expanding Halo's sales force to increase dispensary penetration;
- increasing product lines to include disposable vaporizer pens and CBD infused products; and
- launching a new product line (Dab Tabs™) under a license with Iconic.

Nevada

Pursuant to the Management Agreement, Halo currently occupies approximately 2,000 square feet of Just Quality's Post Road facility located adjacent to the Las Vegas Airport, which is currently being used to produce vaporizer cartridges for sale to dispensaries. Over the next six months, Halo intends to expand its operations to occupy the additional approximately 6,000 square feet of the Post Road Facility, which will be used to produce additional vaporizer cartridges and concentrates using ethanol, BHO and CO2 extraction methods. Halo also plans to launch the Dab Tabs™ product line in Nevada under the above-mentioned license from Iconic.

In addition, Halo has signed a binding term sheet to acquire certain Nevada Marijuana Licenses from Just Quality, including a cultivation license (the "**Just Quality Transaction**"). The current facility to which the cultivation license relates is located at 4235 Arctic Spring Avenue in Clark County. Upon closing the Just Quality Transaction, Halo will acquire the cultivation license and transform the current operation into a cloning operation. . Halo is evaluating moving this cultivation license to a location outside of Las Vegas, such as Indian Springs, Nevada, which is approximately 40 miles from Halo's production facility in Las Vegas. Halo intends to cultivate cannabis in Nevada using low-cost light-deprivation hoop houses to cultivate raw cannabis material primarily for use in its manufacturing of cannabis oils and concentrates. Halo also intends to cultivate flower and pre-rolls for sale as long as demand for such products exceeds the supply. The primary objective of Halo's cultivation strategy in Nevada will be to produce low cost, high THC cannabis trim for producing oils and concentrates.

As part of the Just Quality Transaction, Halo is also acquiring the rights to purchase Just Quality's retail distribution license, which has already received conditional approval from the Nevada Department of Taxation. Halo anticipates being able to begin distribution of its products to dispensaries through such license, which Halo believes will increase customer service levels and reduce distribution costs for the company. Under a Nevada Supreme Court order, the Nevada Department of Taxation (the cannabis licensing body in Nevada) is currently prohibited from issuing cannabis distribution licenses to applicants other than those currently licensed to distribute alcohol. This moratorium is expected to end in approximately six months, following the conclusion of an 18-month exclusivity period for alcohol distributors.

Southern California

Halo has begun construction on a 1,600 square foot BHO production facility in Cathedral City (the "**Cathedral City Facility**"), which it intends to utilize for the manufacture of raw BHO oil beginning in September 2018. Halo has also held preliminary discussions with a company interested in purchasing the products manufactured at this Cathedral City Facility, which Halo anticipates will lead to a supply agreement. Halo also plans to manufacture the Dab Tabs™ product line at the Cathedral City Facility, primarily for sale to wholesalers initially.

In addition, Halo has signed the MICA with ICL9 to acquire ICL9, which is a special purpose vehicle that has applied for a manufacturing and distribution license issued by Cathedral City for a facility with approximately 7,800 square feet of useable space (the "**ICL9 Facility**"). Concurrently with entering into the MICA, ICL9 entered into a five-year lease for the ICL9 Facility, with five additional five-year extension options. Halo anticipates having conditional use permits for the ICL9 Facility by October 2018, with an operational start-date for the ICL9 Facility planned in Q1 2019. Halo intends to utilize the ICL9 Facility as its secondary production center for California and its distribution hub for Southern California.

Northern California

Halo is currently evaluating three facilities (each of which are approximately 30,000 square feet) in the Sacramento and Oakland areas and one site in Ukiah for a 12,000 square foot facility. Halo intends to use one of these facilities as its Northern California hub. Each of the prospective facilities is less than 100 miles from the Emerald Triangle region of Northern California and will provide Halo with access to large amounts of fresh cannabis for production of oils and concentrates. Halo intends to use one of the prospective facilities as its principal California facility for the production and assembly of finished products.

Entry into International Markets

In addition to Halo's ongoing growth activities in the United States, Halo is actively working with groups in Europe and Africa to license Halo's technologies and assist them to set up low cost cultivation and production facilities for exporting cannabis products primarily into Europe. The discussions with these international parties are still at a preliminary stage. In order to mitigate Halo's risk in any such international arrangement and not detract from its core focus on the Western United States, Halo's initial plan would only likely involve the management and supervision of potential projects for a fee, a royalty and nominal equity. Halo does not plan to make significant investments outside of the United States in the short term; however, should such opportunity present itself, management of Halo may decide to pursue such opportunities.

COMPETITION

Oregon

Halo believes that its primary competition in the Oregon market is Cura Cannabis Solutions ("**Cura**"). Aside from Cura, the competitive landscape of the Oregon market is characterized by a significant number of smaller companies occupying specific product categories. In addition, the Oregon market is saturated with products and has significant oversupply of raw material. Halo's strategy is to grow its market share in the Oregon market by going head-to-head with Cura in the distillate vaporizer cartridge market segment.

Nevada

Halo believes that its primary competition in the Nevada market will be Cura and Moxie. However, many other top producers from Colorado, Washington, California and Canada have entered or plan to enter the state. In Nevada, cultivation, production, distribution and dispensary licenses are limited – retail store licenses are limited by statute, and other license types may be issued by the state upon a determination of need in the market. In addition, raw material prices are among the highest in the country. The 61 adult-use dispensaries currently operating in Nevada need product, and suppliers are held back by the significant cost of obtaining raw product. Halo believes that the primary characteristic of the Nevada market is the significant competition for raw product (as opposed to the Oregon market where the primary competition is for shelf space).

California

The competitive landscape in California is highly fragmented. Halo's competitors in California include Cura, Moxie, Brass Knuckles and Orchid Essentials. The California market is characterized by a significant number of suppliers for raw materials and a significant number of dispensaries. The primary distinguisher between suppliers in California is product quality, since seed to sale tracking is not yet in place. With respect to California, Halo intends to build market share by focusing on specific regions and specific demographics, as opposed to targeting the entire California consumer base (which has a wide range of product preferences). Halo believes that targeted demographic and geographic strategies are more likely to build Halo's brand recognition and sales, rather than trying to be all things to all consumers.

INTELLECTUAL PROPERTY

Halo currently has the following intellectual property rights:

Trademarks

TYPE	SERIAL/REGISTRATION NO.	MARK	GOODS/SERVICES	FILING DATE	OWNER
Oregon Trademark Registration	Registration no. 46231	Hushcanna	Marijuana items, including concentrates and extracts, apparel, hats	December 16, 2016	ANM Inc.
Oregon Trademark Registration	Registration no. 46231	Hush	Marijuana items, including concentrates and extracts, apparel, hats	December 16, 2016	ANM Inc.
Oregon Trademark Registration	Registration no. 46231	HUSH alongside a design of a four-leaf clover	Marijuana items, including concentrates and extracts, apparel, hats	December 16, 2016	ANM Inc.

Oregon Trademark Registration	Registration no. 46240	BLACK HAT	Processing and extraction; cannabis processing and extractions; cannabis oils, extracts, and concentrates	June 16, 2017	ANM Inc.
U.S. Federal Trademark Application	Application Serial no. 87518362	BLACK HAT	Class 034 "Smokeless cigarette vaporizer pipe"	July 6, 2017	ANM Inc.
U.S. Federal Trademark Application	Application Serial no. 87523473	BLACK HAT	Class 025 "Shirts; Socks; Sweatshirts"	July 11, 2017	ANM Inc.

Employees are required to sign a form agreement that includes non-disclosure, confidentiality and intellectual property assignment provisions regarding their work for Halo.

EMPLOYEES

Halo presently employs or contracts 95 full time service providers for its Oregon manufacturing and farm operations. Six of these individuals are in senior leadership positions within Halo. Each of these six individuals has an employment or independent contractor agreement with Halo. No employee in the organization is under a collective bargaining agreement. Halo intends to increase or decrease staff depending upon its expansion plans, or business needs.

UNITED STATES REGULATORY ENVIRONMENT

Federal Regulatory Environment

Please see "*United States Federal Overview*" above for a description of the U.S. federal regulatory environment.

Oregon, California and Nevada Regulatory Environment

For a description of the regulatory landscape, licensing regime, and reporting requirements in the states in which Halo operates (being Oregon, California and Nevada), as well as the licenses that Halo holds in each such state, please see "*Summary of Oregon Regulatory Framework", "Summary of Oregon Regulatory Framework"* and *"Summary of Oregon Regulatory Framework"* in the "*Risk Factors*" section below.

Licenses

Oregon

Halo holds the following Oregon cannabis licenses for its manufacturing and distribution facility in Medford, Oregon: an OLCC processor license and an OLCC wholesaler license.

Halo also holds four OLCC producer licenses for its outdoor cannabis cultivation operations in Rogue River, Oregon.

California

Coastal Harvest holds the following cannabis licenses for its manufacturing facility in Cathedral City, California: a Cannabis Business Local licensed issued by Cathedral City, and a Temporary Type 7 Manufacturing License for Adult-Use Cannabis Products issued by the California Department of Public Health. Coastal Harvest

has applied for an Annual Type 7 Manufacturing License for Adult-Use Cannabis Products from the California Department of Public Health.

Nevada

Halo does not currently hold any licenses in Nevada, but is a party to the Management Agreement, under which Halo manages Just Quality's manufacturing facility pursuant to the following Nevada cannabis licenses held by Just Quality: a Medical Marijuana Product Establishment certificate issued by the Nevada Department of Taxation, and a State of Nevada Marijuana Product Manufacturing License issued by the Nevada Department of Taxation. On July 19, 2018 Halo entered into a binding term sheet with Just Quality to purchase these marijuana licenses from Just Quality, as well as a Medical Marijuana Cultivation Establishment certificate issued by the Nevada Department of Taxation, a Marijuana Cultivation Facility License issued by the Nevada Department of Taxation, and Just Quality's rights under that certain conditional approval for a Nevada Marijuana Distributor License.

Storage and Security

Halo treats its security protocols with the highest sense of urgency and attention. Multiple security policies exist to protect people, property and facilities as well as a variety of business processes including, but not limited to, trim intake, WIP finished goods, delivery cash intake, deliveries and deposits.

Medford Facility

Halo's facility in Medford Oregon is manned around the clock with dedicated security staff. In addition, there is a robust camera system with approximately 60 inside and outside cameras for both on-site and remote monitoring. Security is maintained through both camera monitoring as well as walking rounds at the facility. Security at the facility includes manning the front door and acting as formal reception to anyone trying to enter the building. Halo maintains a strict policy requiring all visitors to the facility to have an appointment in advance. Security is directly responsible for the intake of all mail, UPS, Federal Express and all other daily business-based deliveries to the facility. The facility itself has key code access and all employees are issued pictured ID entry badges.

Las Vegas Facility

Halo's facility in Las Vegas Nevada is manned around the clock with dedicated security staff. In addition, there is a robust camera system with 16 inside and outside cameras for both on-site and remote monitoring. Security is maintained through both camera monitoring as well as walking rounds at the facility. Security at the facility includes manning the front door and acting as formal reception to anyone trying to enter the building. Halo maintains a strict policy requiring all visitors to the facility to have an appointment in advance. Security is directly responsible for the intake of all mail, UPS, Federal Express and all other daily business-based deliveries to the facility. The facility itself has key code access and all employees are issued pictured ID entry badges.

Evans Creek Farm

Halo's farm, located in the Rogue River Valley, is subject to additional security protocols. Early in the grow season, the primary goal of security measures at the farm is to protect against sabotage. As such, protocols are designed to ensure that there is somebody located at the farm 24 hours a day while the plants are young and small. Security arrives at the end of the daily shift and remains on-site until the morning of the next day shift. As the farm enters a flowering cycle, each of the tier II grows has a dedicated security agent around the clock to protect the farm from sabotage or theft. Each tier II grow contains 14 cameras and its own camera monitoring station. Security is performed with a combination of camera monitoring and walking rounds on each individual tier. Additionally, the farm is fenced with gate code access only.

Trim Intake

Whenever significant amounts of trim are brought into Halo's primary facilities, physical security agents

manage the delivery appointment and coordinate the internal resources required to check the manifest, weigh and store the trim intake. Security guards will then guide the delivery to the facility's courtyard which is visually protected by a cinder block 15-foot wall. Security guards remain present through the intake process and all business is conducted in a secured area. Security guards remain present until the transaction is completed and then accompany the customer out of the secure area ensuring the door is closed and locked upon departure.

Oregon Product Deliveries

During product deliveries, individuals from Halo's security staff accompany the sales team on their respective daily deliveries. Security personnel retain control of both the product and the incoming cash for each delivery to ensure Halo's sales team members do not hold cash. Cash is then securely delivered back to the facility by security personnel. Once delivered to the facility, cash is immediately deposited into a safe.

Work in Progress and Finished Goods

Once a product has been completed, inventory is deposited into the facility's wholesaler and scanned daily to ensure the accuracy of the product inventory and that it matches with the state-mandated METRC asset management system. At the end of the second shift each day, the wholesaler is locked. The locked wholesaler is monitored by security staff during off-hours and when no one is in the facility. Keys to the wholesaler are managed by a limited number of managers in the building.

Work in progress materials are also closely protected within the facility. Several safes and locked cabinets secure in progress oils and extracts. Customer products and finished goods are protected in a large safe within the facility. Keys to the cabinets and safes are held by only a limited number of managers in the facility. Inventory logs are maintained daily and strict guidelines are in place to open, check out for processing or remove for packaging. All of the safes and cabinets within the facility are guarded 24 hours per day by Halo's security staff.

Compliance Program

Halo has in place a detailed compliance program headed by its Director of Compliance who oversees, maintains, and implements the compliance program and personnel. In addition to Halo's robust compliance program, Halo also has local regulatory and compliance counsel engaged in every jurisdiction it operates. Halo's compliance program emphasizes security and inventory control to ensure strict monitoring of cannabis inventory from seed to final point of sale (or disposal). Additionally, Halo has developed comprehensive standard operating procedures that include detailed descriptions and details to monitor inventory at all stages of the supply chain from seed to sale (or disposal). Presently all jurisdictions where Halo operates fall under the same seed to sale tracking system (METRC). This provides a common platform of expertise and allows deeper, independent, internal audit capabilities that Halo leverages. Halo continuously monitors compliance on an ongoing basis in accordance with its compliance program, standard operating procedures, and any regulatory changes in the cannabis industry.

SELECTED FINANCIAL INFORMATION

The following table sets out certain selected financial information of Halo in summary form for the year ended December 31, 2017 and the three month period ended March 31, 2018. This selected financial information has been derived from and should be read in conjunction with the Halo consolidated financial statements for the year ended December 31, 2017 and for the period from inception (March 18, 2016) to December 31, 2016 and the three month periods ended March 31, 2018 and 2017, which are attached to this Circular as Schedules "K" and "L", respectively:

	As at and for the three months ended March 31, 2018 (US$)	**As at and for the year ended December 31, 2017 (US$)**
Current assets	4,968,005	4,838,667
Total assets	9,514,611	9,413,803
Current liabilities	10,333,619	8,787,866
Total liabilities	10,333,619	8,787,866
Shareholders' equity (deficiency)	(819,008)	625,936
Revenue	2,168,976	10,013,680
Net Loss	(1,818,993)	(8,667,158)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Halo's consolidated financial statements for the year ended December 31, 2017 and for the period from inception (March 18, 2016) to December 31, 2016 and the three month periods ended March 31, 2018 and 2017, and the related management's discussion and analysis are attached hereto as Schedules "K", "L" and "N", respectively.

DIVIDEND POLICY

Halo has never issued dividends. Halo currently intends to reinvest all future earnings to finance the development and growth of its business. As a result, Halo does not intend to pay dividends on the Halo Common Shares in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Halo board of directors and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends and any other factors that the Halo board of directors deems relevant.

DESCRIPTION OF EQUITY CAPITAL

The authorized capital of Halo consists of 80,000,000 shares of common stock and 5,000,000 shares of preferred stock, of which, as at August 8, 2018, 26,874,707 Halo Common Shares and no shares of preferred stock are issued and outstanding, all of which are validly issued as fully paid and non-assessable shares of common stock; provided that the issuance of a total of 3,615,904 Halo Common Shares issued under the Halo Stock Incentive Plan pursuant to Notices of Stock Grant dated May 31, 2018 is subject to the recipients being approved by the OLCC as "financial interest" holders of Halo.

Additionally, Halo has issued options to purchase 7,736,724 Halo Common Shares under the Halo Stock Incentive Plan and warrants to purchase 6,893,333 Halo Common Shares outstanding as of the date of this Circular, not including any warrants issued to date under the Oregon Regulated Financing. Halo intends to issue an additional 6,236,724 stock options to certain employees, consultants, officers and directors pending approval of the Halo Common Shareholders of an amendment to the Halo Stock Incentive Plan to increase the number of authorized shares available for issuance under the plan, and approval of the Halo board of directors of such option grants.

DESCRIPTION OF DEBT CAPITAL AND MATERIAL INDEBTEDNESS

The following is a summary of the debt capital and material indebtedness of Halo as of the date of this Circular:

- Convertible promissory notes dated June 20, 2017 issued by Halo to Compass Point, LLC and Elemental Concepts, LLC each in the principal amount of US$950,000 (the "**Halo 2017 Coastal Harvest Acquisition Notes**"). Pursuant to a letter agreement dated effective June 30, 2018, Halo, Elemental Concepts, LLC and Compass Point, LLC agreed to amend and restate each such promissory note to provide, among other things, a restated principal amount of US$479,500 and a maturity date of the earlier of (a) the consummation of the proposed business combination transaction between or involving Apogee and Halo or (b) December 28, 2018. This aggregate amount was subsequently reduced to US$959,500 effective July 30, 2018 in connection with the MICA;

- Convertible promissory notes in an aggregate principal amount of US$1,624,500 (as amended, the "**Halo 2017 Convertible Notes**") issued by Halo pursuant to that certain convertible note purchase agreement dated July 13, 2017 among Halo and the purchasers thereunder. Upon satisfaction of the Escrow Release Conditions, the Halo 2017 Convertible Notes will automatically convert into the Halo Pre-RTO Units at a conversion price per of CAD$0.24 per Halo Pre-RTO Unit;

- Loan Agreement dated October 10, 2017 between AV Oregon LLC and Halo, as amended, as well as the related promissory note, as amended, issued by Halo to AV Oregon, LLC in the principal amount of

$806,250 (the "**Halo AV Promissory Note**");

- Convertible promissory notes in an aggregate principal amount of US$1,679,900 (as amended, the "**Halo 2018 Convertible Notes**") issued by Halo pursuant to that certain note purchase and loan agreement dated January 18, 2018 among Halo and the purchasers thereunder. Upon satisfaction of the Escrow Release Conditions, the Halo 2018 Convertible Notes will convert into Halo Common Shares at a conversion price of US$0.10 per Halo Common Share;

- Convertible promissory notes dated effective June 30, 2018 issued by Halo to certain related parties of Halo in the aggregate principal amount of US$1,095,901 in exchange for prior cash advances and deferred compensation (the "**Halo Related Party Convertible Notes**"). Upon satisfaction of the Escrow Release Conditions, the Halo Related Party Convertible Notes will automatically convert into the Halo Pre-RTO Units at a conversion price per of CAD$0.24 per Halo Pre-RTO Unit;

- Promissory notes dated effective June 30, 2018 issued by Halo to certain related parties of Halo in the aggregate principal amount of US$703,070 in exchange for prior cash advances and deferred compensation (the "**Halo Related Party Promissory Notes**");

- Promissory notes issued by Halo to Dr. Satwant Sidhu and Philip van den Berg dated July 30, 2018 and August 6, 2018, respectively, each in an aggregate principal amount of US$500,000 to fund the first deposit under the binding term sheet between Halo and Just Quality dated July 19, 2018 (the "**Halo Bridge Loan**"); and

- The Halo Pre-RTO Notes issued by Halo pursuant to the Halo Oregon Offering.

CONSOLIDATED CAPITALIZATION

For a summary of the existing capitalization of Halo, see "*Schedule "D" – Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization*".

PRIOR SALES

The following tables set forth the number and price at which securities of Halo have been sold within the 12-month period prior to the date of this Circular:

Date	Number/Type of Securities	Issue/Exercise Price per Security
June 30, 2018	Halo Related Party Convertible Notes	Aggregate Principal Amount: US$1,095,901 Note Conversion Price: US$0.24
June 30, 2018	Halo Related Party Promissory Notes	Aggregate Principal Amount: US$703,700
June 13 – July 13, 2018	Halo Pre-RTO Notes and Additional Warrants[(1)]	Aggregate Principal Amount: US$3,265,000 Note Conversion Price: CAD$0.40 Warrant Exercise Price: CAD$0.50
May 31, 2018	1,165,000 Halo Common Shares under the Halo Stock Incentive Plan	Issued in exchange for services.

May 15, 2018	775,000 Halo Warrants 750,000 Halo Warrants	675,000 Halo Warrants - US$0.23 exercise price 100,00 Halo Warrants – US$0.80 exercise price 750,000 Halo Warrants – US$0.12 exercise price issued in exchange for previously issued warrants
May 15, 2018	4,249,767 Halo Common Shares under the Halo Stock Incentive Plan(2)	Issued in exchange for services.
January 26 – May 21, 2018	Halo 2018 Convertible Notes	Aggregate Principal Amount: US$1,679,900 Note Conversion Price: US$0.10
October 10, 2017	833,333 Halo Warrants	US$0.90 exercise price
July 13 – September 13, 2017	Halo 2017 Convertible Notes	Aggregate Principal Amount: US$1,624,500 Note Conversion Price: US$0.24

Notes:
(1) Portion closed to that date of the Oregon Offering.
(2) 6,218,895 stock options were approved for issuance by the Halo board of directors; however, only 4,249,767 were actually issued.

PRINCIPAL SECURITYHOLDERS

The following table sets forth, to the best of Halo's knowledge, as of the date hereof, the only persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, directly or indirectly, 10% or more of the issued and outstanding Halo Common Shares.

Name of Security Holder	Type of Ownership	Number and Percentage of Halo Common Shares
Dr. Satwant Sidhu (1)	Halo Common Shares	5,851,939 (21.77%)

Notes:
(1) Dr. Satwant Sidhu is the mother of Kiran Sidhu, the Chief Executive Officer and a director of Halo.

RISK FACTORS

The following are certain factors relating to the business of Halo, which factors Apogee Shareholders should carefully consider. These risks and uncertainties are not the only ones facing Halo. Additional risks and uncertainties not presently known to Halo, or currently deemed immaterial by Halo, may also impair the operations of Halo. If any such risks actually occur, shareholders of the Resulting Issuer could lose all or part of their investment and the business, financial condition, liquidity, results of operations and prospects of the Resulting Issuer could be materially adversely affected and the ability of the Resulting Issuer to implement its growth plans could be adversely affected.

The acquisition or purchase of securities of Halo, Apogee or the Resulting Issuer is speculative, involving a high degree of risk and should be undertaken only by persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of Halo, Apogee or the Resulting Issuer should not constitute a major portion of an individual's

investment portfolio and should be made only by persons who can afford a total loss of their investment. You should carefully evaluate the following risks associated with an investment in the securities of Halo, Apogee or the Resulting Issuer.

References below to the terms "we", "us", "our" and "Halo" shall, as the context permits or requires, be read to include the Resulting Issuer upon completion of the Business Combination and the term "you" refers to each prospective investor in Halo.

The reader should read the "*United States Federal Overview*" above before reading the following risk factors.

Halo's U.S. cannabis operations are illegal under U.S. federal law and the enforcement of relevant laws is a significant risk.

Under the Federal CSA, cannabis is classified as a Schedule I drug. Even in those states in which the use of cannabis has been legalized under state law, its production, manufacture, processing, possession, distribution, sale and use remains a federal crime. Since U.S. federal law criminalizing cannabis pre-empts state laws that legalize it, strict enforcement of U.S. federal law regarding cannabis would result in our inability to proceed with our business plan. There can be no assurance that the U.S. federal government will not seek to prosecute cases involving cannabis-related businesses, including the business of Halo. Companies and individuals involved with or in our business, including investors, may be exposed to criminal liability, and any real or personal property used in connection with its business could be subject to seizure and forfeiture to the U.S. federal government or its agencies.

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

For further information, please see the discussion of the United States regulatory framework under the section heading "*United States Federal Overview*".

Anti-Money Laundering Laws, Banking Regulations and Bankruptcy Protection.

Under U.S. federal law, it may be a violation of federal money laundering statutes for financial institutions to take any proceeds from the sale of cannabis or any other Schedule I controlled substance under the Federal CSA. Canadian banks are likewise hesitant to deal with cannabis companies due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions, particularly those that are federally chartered in the U.S., could be prosecuted and possibly convicted of money laundering for providing services to businesses with operations or a connection to cannabis. Despite these laws, the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("**FinCEN**") issued a memorandum on February 14, 2014 (the "**FinCEN Memorandum**") outlining the pathways for financial institutions to bank state-sanctioned cannabis businesses in compliance with federal enforcement priorities. The FinCEN Memorandum echoed the enforcement priorities of the 2013 Cole Memorandum. Under these guidelines, financial institutions must submit a Suspicious Activity Report ("**SAR**") in connection with all cannabis-related banking activities by any client of such financial institution, in accordance with federal money laundering laws. These cannabis-related SARs are divided into three categories, being cannabis limited, cannabis priority and cannabis terminated, which are based on the financial institution's belief that the business in question follows state law, is operating outside of compliance with state law or where the banking relationship has been terminated, respectively.

On the same day the FinCEN Memorandum was published, the U.S. DOJ issued a memorandum (the "**2014 Cole Memorandum**") directing prosecutors to apply the enforcement priorities of the 2013 Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of cannabis-related conduct. The 2014 Cole Memorandum was rescinded as of

January 4, 2018, along with the 2013 Cole Memorandum, removing guidance that enforcement of applicable financial crimes against state-compliant actors was not a U.S. DOJ priority.

However, U.S. Attorney General Jeff Sessions' rescission of the 2013 Cole Memorandum and the 2014 Cole Memorandum has not affected the status of the FinCEN Memorandum, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself. Though it was originally intended for the 2014 Cole Memorandum and the FinCEN Memorandum to work in tandem, the FinCEN Memorandum appears to be a standalone document which explicitly lists the eight enforcement priorities originally cited in the 2013 Cole Memorandum. As such, the FinCEN Memorandum remains intact.

While the FinCEN Memorandum has not been rescinded by the U.S. DOJ at this time, it remains unclear whether the current administration will follow its guidelines. Overall, the U.S. DOJ continues to have the right and power to prosecute crimes committed by banks and financial institutions, such as money laundering and violations of the Bank Secrecy Act, that occur in any state, including in states that have legalized the applicable conduct, and the U.S. DOJ's current enforcement priorities could change for any number of reasons, including a change in the opinions of the President of the United States or the U.S. Attorney General. A change in the U.S. DOJ's enforcement priorities could result in the U.S. DOJ prosecuting banks and financial institutions for crimes that previously were not prosecuted.

Banks often refuse to provide banking services to businesses involved in the cannabis industry due to the present state of the laws and regulations governing financial institutions in the United States. The lack of banking and financial services presents unique and significant challenges to businesses operating in and ancillary to the cannabis industry. The potential lack of a secure place in which to deposit and store cash, the inability to pay creditors through the issuance of checks and the inability to secure traditional forms of operational financing, such as lines of credit, are some of the many challenges presented by the lack of traditional banking and financial services available to businesses operating in or ancillary to the cannabis industry.

In light of limited banking resources available in the United States to businesses involved in the cannabis industry, Halo may face challenges transferring funds through traditional banking systems, including to Apogee. For example, Halo's current bank, Maps Community Credit Union, does not offer either inbound or outbound international wire services. These transfers may therefore be restricted or difficult and could involve significant cost. Moreover, significant delays may occur in the transfer of funds within, and with repatriation of funds out of, either the U.S. or Canada.

Additionally, Halo does not have protection under U.S. bankruptcy laws. U.S. bankruptcy laws were adopted to protect financially troubled businesses and to provide for orderly distributions to business creditors. All bankruptcy cases are handled in U.S. federal courts, and the U.S. DOJ has stated that it is the U.S. Trustee Program's ("**USTP**") position that no assets associated with the cannabis industry can be liquidated or restricted following bankruptcy without violating the Federal CSA. In addition, the Director of the USTP recently issued a letter to 1,100 trustees who administer bankruptcy cases urging the trustees to monitor and report to the U.S. DOJ cannabis companies looking to declare bankruptcy.

If any of Halo's operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations in the United States are found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of Halo to declare or pay dividends and could affect other distributions, including Halo's ability to transfer funds into Canada. Furthermore, while Halo has no current intentions to declare or pay dividends in the foreseeable future, if a determination was made that Halo's proceeds from operations (or any future operations or investments in the United States) could reasonably be shown to constitute proceeds of crime, Halo may decide, or be required, to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Enforcement of U.S. Federal Laws.

Enforcement of U.S. federal law is a significant risk to cannabis businesses operating in the United States, including Halo. The rescission of the 2013 Cole Memorandum increased the uncertainty and risk associated with the

enforcement of U.S. federal laws regarding the production, manufacture, processing, possession, distribution, sale and use of cannabis. There is no certainty as to how the U.S. DOJ, the U.S. Federal Bureau of Investigation and other government agencies will handle cannabis matters now that the 2013 Cole Memorandum is no longer in effect.

There can be no assurance that the U.S. federal government will not seek to prosecute cases involving cannabis businesses, including those of Halo, notwithstanding compliance with state law. Such proceedings could have a material adverse effect on Halo's business, revenues, operating results and financial condition, as well as Halo's reputation and ability to raise capital.

Further, violations of any U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the U.S. federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on Halo, including its reputation and ability to conduct business, its ability to list its securities on stock exchanges, its financial position, its operating results, its profitability or liquidity or the value of its securities. In addition, the time of management and advisors of Halo and resources that would be needed for the investigation of any such matters or their final resolution could be substantial.

U.S. Enforcement Proceedings and the Leahy Amendment.

Although the 2013 Cole Memorandum and 2014 Cole Memorandum have been rescinded, one legislative safeguard for the medical cannabis industry remains in place. U.S. Congress has used a rider provision in the fiscal year 2015, 2016 and 2017 Consolidated Appropriations Acts (currently, the "**Leahy Amendment**") to prevent the U.S. federal government from using congressionally appropriated funds to enforce federal cannabis laws against regulated cannabis actors operating in compliance with state and local law. The Leahy Amendment was included in the fiscal year 2018 budget passed on March 23, 2018, meaning that, the Leahy Amendment is in effect until September 30, 2018 when the fiscal year ends. It is uncertain whether the U.S. Congress will extend this prohibition beyond such expiration date. As the Leahy Amendment protects only state medical cannabis actors, there can be no assurance that U.S. federal prosecutors will not use U.S. DOJ funds to interfere with state adult-use cannabis actors.

U.S. border officials could deny entry into the U.S. to employees of or investors in companies with cannabis operations in the United States.

Because cannabis remains illegal under U.S. federal law, those employed at or investing in legal and licensed Canadian cannabis companies could face detention, denial of entry or lifetime bans from the U.S. for their business associations with U.S. cannabis businesses. Entry happens at the sole discretion of the U.S. Customs and Border Protection officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a foreign national. The government of Canada has started warning travelers on its website that previous use of cannabis, or any substance prohibited by U.S. federal laws, could mean denial of entry to the U.S. Business or financial involvement in the legal cannabis industry in Canada or in the United States could also be reason enough for U.S. border guards to deny entry.

Ability to Access Public and Private Capital.

While Halo is not able to obtain bank financing in the United States or financing from other federally regulated entities, Halo's executive team and board of directors have relationships with potential sources of private capital (such as funds and high net worth individuals).

Commercial banks, private equity firms and venture capital firms have approached the cannabis industry cautiously to date. While there has been an increase in the amount of private financing available over the last several years, there is neither a broad nor deep pool of institutional capital that is available to participants in the United States cannabis industry. There can be no assurance that additional financing will be available to Halo when needed or on acceptable terms. Halo's inability to raise financing to fund its ongoing operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability and operations.

Halo's business is highly regulated and evolving rapidly.

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

Halo will incur ongoing costs and obligations related to regulatory compliance.

Failure to comply with applicable regulations may result in additional costs for corrective measures, penalties or restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations or increased compliance costs, or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of Halo.

Halo's ability to expand its business in California, Nevada, Canada and other jurisdictions is uncertain.

Halo intends to continue expanding its operations in California, Nevada, Canada and other jurisdictions. The ability of Halo to do so, from both an operational and regulatory perspective, is subject to significant uncertainty and risks. Halo will need to obtain and maintain licenses, permits and other authorizations to operate a business involving cannabis in these jurisdictions, and Halo cannot guarantee it will be able to successfully do so, or the amount of time and resources that will be required to do so. In addition to regulatory uncertainty, Halo expects the cannabis market in California, Nevada and Canada to be highly competitive. Halo cannot provide any assurances that it will be able to successfully expand its business to these or other jurisdictions.

For further information, please see the discussion of the Nevada and California regulatory frameworks under the section heading *"State-Level Regulatory Overview"*.

Halo does not hold a license in Nevada but has entered into a Management Agreement with a cannabis business licensed in Nevada.

Halo intends to operate in Nevada through a contractual arrangement with an arm's length company that is licensed to manufacture cannabis products. Halo has entered into a Management Agreement with Just Quality, which holds a cannabis product manufacturing license issued by Nevada's Department of Taxation. Halo itself does not currently hold any Nevada cannabis licenses. Halo believes that its contractual operating structure with Just Quality is compliant with Nevada state law and the Department of Taxation's regulations; regardless, there is a risk that regulators will disagree with this assessment.

For further information, please see the discussion of the Nevada regulatory framework under the section heading *"State-Level Regulatory Overview"*.

Halo was recently under investigation by the OLCC for alleged regulatory violations.

Halo received written notice from the OLCC on November 28, 2017 regarding alleged regulatory violations that carry significant penalties, including the potential loss of Halo's OLCC licenses. As part of the OLCC's investigation into potential non-compliance by Halo, OLCC representatives inspected Halo's extraction facility in Medford, Oregon on a number of occasions. As a result of its investigation, on March 13, 2018, the OLCC issued to Halo a Notice of Proposed Civil Liability detailing four instances of regulatory violations, including (i) improper placement of security cameras, (ii) inadequate camera coverage, (iii) failure to obtain required pre-approval prior to making changes to its licensed premises, and (iv) failure to properly report a transaction in METRC. The OLCC imposed a fine of US$6,930 as a consequence of such violations. On March 20, 2018, Halo accepted responsibility to pay the fine and reiterated to the OLCC Halo's commitment to ongoing regulatory compliance. While the investigation is now concluded and Halo has remedied the violations identified by the OLCC, Halo may be subject to additional regulatory investigations in the future. Any future instances or allegations of regulatory non-compliance could lead to more significant fines or sanctions, including potential loss of licenses, particularly considering the previous findings of non-compliance by the OLCC.

For further information, please see the discussion of the Oregon regulatory framework under the section heading *"State-Level Regulatory Overview".*

Laws will continue to change rapidly for the foreseeable future and local laws and ordinances could restrict Halo's business operations.

Local, state and federal laws and enforcement policies concerning cannabis-related conduct are changing rapidly and will continue to do so for the foreseeable future. There can be no assurance that existing state laws that legalize and regulate the production, sale and use of cannabis will not be repealed, amended or overturned. In addition, local governments have the ability to limit, restrict and ban cannabis-related businesses from operating within their jurisdictions. Land use, zoning, local ordinances and similar laws could be adopted or changed in a manner that makes it extremely difficult or impossible to transact business in certain jurisdictions. These potential changes in state and local laws are unpredictable and could have a material adverse effect on Halo's business.

Halo may be subject to heightened scrutiny by Canadian regulatory authorities.

For the reasons set forth herein, Halo's existing investments and operations in the United States, and any future investments and operations, may become the subject of heightened scrutiny by regulators, stock exchanges, third party service providers, financial institutions, depositories and other authorities in Canada and the United States. As a result, Halo may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on Halo's ability to operate in the United States, Canada and other jurisdictions.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding ("**MOU**") with Aequitas NEO Exchange Inc., the Canadian Stock Exchange, the Toronto Stock Exchange and the TSX Venture Exchange. The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the United States. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the stock exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented at a time when the Resulting Issuer Common Shares are listed on a Canadian stock exchange, it would have a material adverse effect on the ability of holders of the Resulting Issuer Common Shares to make and settle trades. In particular, the Resulting Issuer Common Shares would become highly illiquid until an alternative was implemented, and investors would have no ability to effect a trade of the Resulting Issuer Common Shares through the facilities of the applicable stock exchange.

Risks Related to the Business of Halo

Halo has significant debt and accounts payable outstanding.

To preserve cash, Halo has slowed payments of accounts payable, and has significant overdue accounts payable outstanding, totaling approximately US$2 million as of June 30, 2018. Halo also has significant debts outstanding, including convertible promissory notes (approximately US$9.5 million), non-convertible promissory notes from shareholders and other related parties of Halo (approximately US$700,000), and a senior secured loan (approximately US$800,000), all of which mature on or before December 28, 2018.

Halo has limited operating history and faces the risks associated with any new business operating in a competitive industry.

Halo's business was formed in 2016 and has a limited operating history. Halo has only manufactured and sold products in Oregon, and has yet to commence manufacturing and sales in California or provide management services in Nevada. Halo faces the general risks associated with any new business operating in a competitive industry, including the ability to fund its operations from unpredictable cash flow and capital-raising transactions. The likelihood of Halo's success must be considered in light of the problems, expenses, difficulties, complications

and delays frequently encountered in connection with the formation of a new business, the development of a new strategy and the competitive environment in which Halo operates. There can be no assurance that Halo will achieve its anticipated investment objectives or operate profitably.

Any financial projections and business plans reflect Halo's intentions and estimates, but they may not be realized and are subject to change in all respects.

Any financial projections and business plans that Halo has performed are based on a variety of estimates and assumptions, which may not be realized and are inherently subject to significant business, economic, legal, regulatory and competitive uncertainties, many of which are beyond Halo's control. There can be no assurance that any such projections and plans will be realized, and actual results may materially differ from such projections and plans.

Halo will need to raise additional financing to fund its operations and satisfy its obligations.

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

The OLCC requires pre-approval of investments of US$50,000 or more, which could delay Halo's ability to raise the additional capital it needs to fund its ongoing operations.

Under OLCC regulations and existing policy, any equity or debt investment in an OLCC-licensed business of US$50,000 or more is considered a "financial interest", which requires the approval of the OLCC prior to the issuance of the financial interest. The OLCC has also notified Halo that any person investing an amount of US$50,000 or greater must be fingerprinted and pass a criminal background check as part of the pre-approval process. All investors in the Halo Oregon Offering must go through this criminal background check process before investing in Halo. This approval process could lead to delays in Halo's ability to raise the additional capital it needs to fund its ongoing operations.

Customers for Halo's U.S. cannabis business are limited.

The customers of Halo's U.S. cannabis business are limited to other licensed cannabis businesses within the states in which it operates. The sale of cannabis and cannabis-related products across state lines in the United States is not permitted. Consequently, Halo has a limited customer base.

Halo's business is highly competitive.

The regulated cannabis market is intense, rapidly evolving and competitive. There can be no assurance that Halo's competitors, some of which have longer operating histories and more resources than Halo, will not develop products and services that achieve greater market share than Halo's products and services. Such competitive forces could have a material adverse impact on Halo's business, operating results and financial condition.

Halo will not be able to deduct many normal business expenses for U.S. federal income tax purposes.

Under Section 280E of the U.S. Internal Revenue Code ("**Section 280E**"), many normal business expenses incurred in the production and sale of cannabis and its derivatives are not deductible in calculating U.S. federal income tax liability. As a result, businesses that are subject to Section 280E have significantly higher tax expenses

than non-Section 280E businesses and often owe federal income taxes even if the business is not profitable. The application of Section 280E likely will have a material adverse effect on Halo's U.S. federal income tax obligations.

Halo is not current in its obligations to file Forms 8300 with the IRS.

As a largely cash-based business, Halo must report currency transactions consistent with all existing financial regulations, including Form 8300, which is a document that must be filed with the IRS when a business receives cash payments over US$10,000. Failure to timely and properly file Forms 8300 may result in civil or criminal penalties. In addition to filing with the IRS, companies must also provide a written statement to each person named in the Form 8300 to notify them that the business has filed the form. Although Halo endeavours to timely file all required Forms 8300, it is not current in its obligations to do so, or to provide related written statements to each person named in the Forms 8300. This could result in significant penalties, audits and fines imposed by the IRS, along with the risk of criminal penalties.

Third party service providers could suspend or withdraw services as a result of Halo's cannabis business.

As a result of any adverse change to the approach in enforcement of U.S. cannabis laws, adverse regulatory or political change, additional scrutiny by regulatory authorities, adverse changes in public perception in respect of the consumption of cannabis or otherwise, third party service providers to Halo could suspend or withdraw their services, which may have a material adverse effect on Halo's business, revenues, operating results, financial condition or prospects.

Courts may not enforce Halo's contracts.

It is a fundamental principle of law that a contract will not be enforced if it involves a violation of law or public policy. Because cannabis remains illegal in the United States at the federal level, judges in multiple U.S. states have on a number of occasions refused to enforce contracts for the repayment of money when the loan was used in connection with activities that violate U.S. federal law, even if there was no violation of state law. There remains doubt and uncertainty that Halo will be able to legally enforce contracts it enters into, if necessary. Halo cannot be assured that it will have a remedy for breach of contract, which would have a material adverse effect on Halo.

Halo faces possible competition from synthetic cannabis production and technological advances.

The pharmaceutical industry may attempt to enter the cannabis industry, and in particular, the medical cannabis industry, through the development and distribution of synthetic products that emulate the effects of and treatment provided by naturally-occurring cannabis. If synthetic cannabis products are widely adopted, the widespread popularity of such synthetic cannabis products could change the demand, volume and profitability of the cannabis industry. This could adversely affect the ability of Halo to secure long-term profitability and success through the sustainable and profitable operation of its business.

There are risks inherent in an agricultural business.

Cannabis is an agricultural product. There are risks inherent in the agricultural business, such as damage to crops caused by insects, plant diseases, pesticide contamination and similar agricultural risks. There can be no assurance that such elements will not have a material adverse effect on the production of Halo's products.

Halo's success depends on the skills and expertise of its officers, key employees and advisors.

Halo's success substantially depends on the skills, talents, abilities and continued services of its officers, key employees and advisors. There is no guarantee that Halo's officers and employees will manage its business successfully.

Halo's success depends on its ability to hire and retain additional qualified individuals.

Halo's success substantially depends on its ability to hire and retain individuals to implement its business

plan. There is no assurance that Halo will be able to hire or retain qualified individuals, or that the individuals hired will be able to successfully implement its business plan.

Halo may be subject to negative outcomes in pending and threatened litigation.

Halo is currently defending one lawsuit and has been threatened with others. Halo may be materially adversely affected if any of these matters are resolved adversely to Halo, or if additional litigation is filed or threatened against Halo and resolved adversely to Halo. For further information, please see the discussion of legal proceedings and regulatory actions under the section heading *"Legal Proceedings and Regulatory Actions"*.

Environmental risk and regulation could adversely affect Halo's operations.

Halo's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Halo's business, revenues, operating results, financial condition or prospects.

Halo may not be successful in obtaining required government approvals and permits.

Government approvals and permits are currently, and may in the future, be required in connection with Halo's operations. To the extent such approvals are required and are not obtained or lapse, Halo may be curtailed or prohibited from its proposed production of medical or adult-use cannabis or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or other remedial actions. Halo may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed on it for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing the production of medical and adult-use cannabis, or a more stringent implementation thereof, could have a material adverse impact on Halo and cause increases in expenses, capital expenditures or production costs, could cause a reduction in levels of production or could require abandonment or delays in development.

Public opinion, consumer perception or unfavorable publicity could influence the regulation of the cannabis industry.

Public opinion may also significantly influence the regulation of the cannabis industry in Canada, the United States or elsewhere. Public opinion and support for medical and adult-use cannabis has traditionally been inconsistent and has varied from jurisdiction to jurisdiction. A negative shift in the public's perception of cannabis in the United States or any other applicable jurisdiction could affect future legislation or regulation of cannabis. Among other things, such a shift could cause state jurisdictions to abandon initiatives or proposals to legalize medical and/or adult-use cannabis, thereby limiting the number of new jurisdictions into which Halo could expand. Any inability to fully implement Halo's expansion strategy may have a material adverse effect on Halo's business, results of operations or prospects.

Halo could face product liability claims.

As a manufacturer and distributor of products designed to be ingested by humans, Halo faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused

significant loss or injury. In addition, the manufacture and sale of cannabis involves the risk of injury to consumers due to tampering by unauthorized third parties or by product contamination. Previously unknown adverse reactions resulting from human consumption of products sold or marketed by Halo, alone or in combination with other medications or substances, could occur. As a manufacturer, distributor and retailer of adult-use and medical cannabis, or in its role as an investor in, or service provider to, an entity that is a manufacturer, distributor and/or retailer of adult-use or medical cannabis, Halo may be subject to various product liability claims, including, among others, that the cannabis product that caused injury or illness included inadequate instructions for the use of the product, or included inadequate warnings concerning possible side effects of or interactions with other substances. A product liability claim or regulatory action against Halo could result in increased costs, could adversely affect Halo's reputation with its clients and consumers generally, and could have a material adverse effect on the business, results of operations, financial condition or prospects of Halo. There can be no assurances that Halo will be able to maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms or at all. The inability to maintain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of Halo's potential products or otherwise have a material adverse effect on the business, results of operations, financial condition or prospects of Halo.

Product recalls could adversely affect Halo's operations.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. Such recalls can cause unexpected expenses, legal proceedings and the loss of a significant amount of sales. In addition, a product recall may require significant management attention, and the reputation of the recalled product's brand and Halo could be harmed. Additionally, product recalls can lead to increased scrutiny of operations by applicable regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Results of future clinical research could influence the regulation of the cannabis industry and may have an adverse effect on Halo's business.

Halo believes the medical and adult-use cannabis industries are highly dependent upon consumer perception regarding the safety, efficacy and quality of cannabis. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research or findings, regulatory investigations, litigation, media attention or other publicity will be favorable to the cannabis industry or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory investigations, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or other publicity could have a material adverse effect on the demand for medical or adult-use cannabis and on the business, results of operations, financial condition, cash flows or prospects of Halo. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or associating the consumption of medical and adult-use cannabis with illness or other negative effects or events, could have such a material adverse effect on the business, results of operations or prospects of Halo. There is no assurance that such adverse publicity reports or other media attention will not arise.

Halo is reliant on key inputs to manufacture its products, and changes in the availability or pricing of such key inputs could adversely affect Halo's operations.

Halo's cannabis business is dependent on a number of key inputs, including raw materials and supplies related to growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition, results of operations or prospects of Halo. Some of these inputs may be available from only a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, Halo might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to Halo in the future. Any inability to secure required supplies and services or to do so on reasonable terms could have a material adverse effect on the business, financial condition, results of operations or prospects of Halo.

Halo may not be able to adequately protect its intellectual property.

Halo has certain proprietary intellectual property, including, but not limited to, brands, trademarks, trade names, trade secrets and proprietary processes. Halo relies on this intellectual property, know-how and other proprietary information, and requires employees, consultants and suppliers to sign confidentiality agreements. However, these confidentiality agreements may be breached, and Halo may not have adequate remedies for such breaches. Third parties may independently develop substantially equivalent proprietary information without infringing upon any proprietary intellectual property, or may otherwise gain access to Halo's proprietary information and adopt it in a competitive manner. Any loss of intellectual property protection may have a material adverse effect on Halo's business, results of operations or prospects.

As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance pursuant to the Federal CSA, the benefit of certain U.S. federal laws and protections which may be available to most businesses, such as federal trademark and patent protection for the intellectual property of a business, may not be available to Halo. As a result, Halo's intellectual property may never be adequately or sufficiently protected against use or misappropriation by third parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, Halo can provide no assurance that it will ever obtain any protection of its intellectual property, whether on a federal or state level. While many states do offer trademark protection independent of the federal government, patent protection is wholly unavailable on the state level, and state-registered trademarks provide a lower degree of protection than federally-registered marks.

Halo's insurance coverage may not sufficiently cover claims against Halo.

Although Halo maintains insurance to protect against certain risks in amounts that it considers to be reasonable, its insurance does not cover all the potential risks associated with its operations. Halo may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in Halo's operations are not generally available on acceptable terms. Halo might also become subject to liability for pollution or other hazards which may not be insured against or which Halo may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Halo to incur significant costs that could have a material adverse effect upon its business, results of operations, financial condition or prospects.

Halo's directors and officers may have a conflict of interest due to their involvement in other businesses.

Certain of Halo's directors and officers are involved with other business ventures that may be competitive with Halo's business. Situations may arise where the personal interests of these directors and officers conflict with or diverge from Halo's interests. In accordance with applicable corporate law, directors who have a material interest in or who are parties to a material contract or a proposed material contract with Halo are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such contracts. In addition, directors and officers are required to act honestly with a view to Halo's best interests. However, in conflict of interest situations, Halo's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to Halo. Circumstances (including future corporate opportunities) may arise that may be resolved in a manner that is unfavorable to Halo.

Halo faces risks associated with potential acquisitions.

As part of Halo's overall business strategy, Halo intends to pursue select strategic acquisitions, which would provide additional product offerings, vertical integrations, additional industry expertise and a stronger industry presence in both existing and new jurisdictions. The success of any such acquisitions will depend, in part, on the ability of Halo to realize the anticipated benefits and synergies from integrating those companies into the businesses of Halo. Future acquisitions may expose Halo to potential risks, including risks associated with: (i) the integration of new operations, services and personnel, (ii) unforeseen or hidden liabilities, (iii) the diversion of resources from Halo's existing business and technology, (iv) potential inability to generate sufficient revenue to offset new costs, (v) the expense of acquisitions, and (vi) the potential loss of or harm to relationships with both

employees and existing customers resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

While Halo intends to conduct reasonable due diligence in connection with such strategic acquisitions, there are risks inherent in any acquisition. Specifically, there could be unknown or undisclosed risks or liabilities of such companies for which Halo is not sufficiently indemnified. Any such unknown or undisclosed risks of liability could materially and adversely affect Halo's financial performance and result of operations. Halo could encounter additional transaction and integration related costs or other factors such as failure to realize all of the benefits from the acquisition. All of these factors could cause dilution to Halo's earnings per share or decrease or delay the anticipated accretive effect of the acquisition and cause a decrease in the market price of the Resulting Issuer Common Shares.

Halo may not be able to successfully integrate and combine the operations, personnel and technology infrastructure of any such strategic acquisition with its existing operations. If integration is not managed successfully by Halo's management, Halo may experience interruptions in its business activities, deterioration in its employee and customer relationships, increased costs of integration and harm to its reputation, all of which could have a material adverse effect on Halo's business, financial condition and results of operations.

Risk of Legal, Regulatory or Political Change.

The success of the business strategy of Halo depends on the legality of the cannabis industry. The political environment surrounding the cannabis industry in general can be volatile and the regulatory framework remains in flux. To Halo's knowledge, there are to date a total of 30 states, and the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam, that have legalized cannabis in some form, including California, Nevada and Oregon, and additional states have pending legislation regarding the same; however, the risk remains that a shift in the regulatory or political realm could occur and have a drastic impact on the industry as a whole, adversely impacting Halo's business, results of operations, financial condition or prospects.

Delays in enactment of new state or federal regulations could restrict the ability of Halo to reach strategic growth targets and lower return on investor capital. The strategic growth strategy of Halo is reliant upon certain federal and state regulations being enacted to facilitate the legalization of medical and adult-use cannabis. If such regulations are not enacted, or enacted but subsequently repealed or amended, or enacted with prolonged phase-in periods, the growth targets of Halo, and thus, the effect on the return of investor capital, could be detrimental. Halo is unable to predict with certainty when and how the outcome of these complex regulatory and legislative proceedings will affect its business and growth.

Further, there is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. If the federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, Halo's business, results of operations, financial condition and prospects would be materially adversely affected. It is also important to note that local and city ordinances may strictly limit and/or restrict disbursement of cannabis in a manner that will make it extremely difficult or impossible to transact business that is necessary for the continued operation of the cannabis industry. Federal actions against individuals or entities engaged in the cannabis industry or a repeal of applicable cannabis related legislation could adversely affect Halo and its business, results of operations, financial condition and prospects.

Halo is aware that multiple states are considering special taxes or fees on businesses in the cannabis industry. It is a potential yet unknown risk at this time that other states are in the process of reviewing such additional fees and taxation. This could have a material adverse effect upon Halo's business, results of operations, financial condition or prospects.

The commercial medical and adult-use cannabis industry is in its infancy and Halo anticipates that such regulations will be subject to change as the jurisdictions in which Halo does business matures. Overall, the medical and adult-use cannabis industry is subject to significant regulatory change at both the state and federal level. The inability of Halo to respond to the changing regulatory landscape may cause it to not be successful in capturing

significant market share and could otherwise harm its business, results of operations, financial condition or prospects.

Co-Investment Risk.

Halo may co-invest in one or more investments with certain strategic investors and/or other third parties through joint ventures or other entities, which parties in certain cases may have different interests or superior rights to those of Halo, although it is the general intent of Halo to retain superior rights associated with its investments. Although it is Halo's intent to retain control and other superior rights over Halo's investments, under certain circumstances it may be possible that Halo relinquishes such rights over certain of its investments and, therefore, may have a limited ability to protect its position therein. In addition, even when Halo does maintain a control position with respect to its investments, Halo's investments may be subject to typical risks associated with third-party involvement, including the possibility that a third-party may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of Halo, or may be in a position to take (or block) action in a manner contrary to Halo's objectives. Halo may also, in certain circumstances, be liable for the actions of its third-party partners or co-investors. Co-investments by third parties may or may not be on substantially the same terms and conditions as Halo, and such different terms may be disadvantageous to Halo.

Difficulty to Forecast.

Halo must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industry. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, financial condition or prospects of Halo.

Reliable Data on the Medical and Adult-Use Cannabis Industry is not Available.

As a result of recent and ongoing regulatory and policy changes in the medical and adult-use cannabis industry, the market data available is limited and unreliable. Federal and state laws prevent widespread participation and hinder market research. Therefore, market research and projections by Halo of estimated total retail sales, demographics, demand, and similar consumer research, are based on assumptions from limited and unreliable market data, and generally represent the personal opinions of Halo's management team as of the date of this Circular.

Constraints on Marketing Products.

The development of Halo's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in the United States limits companies' abilities to compete for market share in a manner similar to other industries. If Halo is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, Halo's sales and results of operations could be adversely affected.

Fraudulent or Illegal Activity by Employees, Contractors and Consultants.

Halo is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to Halo that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for Halo to identify and deter misconduct by its employees and other third parties, and the precautions taken by Halo to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting Halo from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against Halo, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on Halo's business, including the

imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of Halo's operations, any of which could have a material adverse effect on Halo's business, financial condition, results of operations or prospects.

Information Technology Systems and Cyber-Attacks.

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

Halo has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that Halo will not incur such losses in the future. Halo's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, Halo may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Security Breaches.

Given the nature of Halo's product and its lack of legal availability outside of channels approved by the government of the United States, as well as the concentration of inventory in its facilities, despite meeting or exceeding all legislative security requirements, there remains a risk of shrinkage as well as theft. A security breach at one of Halo's facilities could expose Halo to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches, and may deter potential customers from choosing Halo's products.

In addition, Halo collects and stores personal information about its customers and is responsible for protecting that information from privacy breaches. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes, particularly customer lists and preferences, is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such theft or privacy breach would have a material adverse effect on Halo's business, financial condition and results of operations.

High Bonding and Insurance Coverage.

There is a risk that a greater number of state regulatory agencies will begin requiring entities engaged in certain aspects of the cannabis industry to post a bond or significant fees when applying for example for a dispensary license or renewal as a guarantee of payment of sales and franchise tax. Halo is not able to quantify at this time the potential scope for such bonds or fees in the states in which it currently or may in the future operate. Any bonds or fees of material amounts could have a negative impact on the ultimate success of Halo's business.

New Well-Capitalized Entrants may Develop Large-Scale Operations.

Currently, the cannabis industry generally is comprised of individuals and small to medium-sized entities, however, the risk remains that large conglomerates and companies who also recognize the potential for financial success through investment in this industry could strategically purchase or assume control of larger dispensaries and cultivation facilities. In doing so, these larger competitors could establish price setting and cost controls which would effectively "price out" many of the individuals and small to medium-sized entities who currently make up the bulk of the participants in the varied businesses operating within and in support of the medical and adult-use cannabis industry. While the trend in most state laws and regulations seemingly deters this type of takeover, this

industry remains quite nascent, so what the landscape will be in the future remains largely unknown, which in itself is a risk.

Economic Environment.

Halo's operations could be affected by the economic context should unemployment, interest rates or inflation reach levels that influence consumer trends and consequently, impact Halo's sales and profitability.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To Halo's knowledge, there are no legal proceedings or regulatory actions material to Halo to which it is a party, or has been a party to, or of which any of its property is the subject matter of, or was the subject matter of, since its formation, and no such proceedings or actions are known by Halo to be contemplated other than the following.

- A former employee asserted several claims against Halo, including claims that the employee was injured on the job during a period in which Halo did not have workers' compensation insurance, that Halo failed to pay all wages owed and that Halo retaliated against the employee for opposing alleged illegal conduct by Halo. This case settled in July 2018 and a Judgment of Dismissal with prejudice was entered on July 31, 2018.

- Halo received written notice from the OLCC on November 28, 2017 regarding alleged regulatory violations. As a result of its investigation, on March 13, 2018, the OLCC issued Halo a Notice of Proposed Civil Liability detailing four instances of regulatory violations, including (i) improper placement of security cameras, (ii) inadequate camera coverage, (iii) failure to obtain required pre-approval prior to making changes to its licensed premises, and (iv) failure to properly report a transaction in METRC. The OLCC imposed a fine of US$6,930 as a consequence of such violations, which has been paid by Halo. This is reflected in the Notice of Final Order by Default issued by the OLCC to Halo dated May 22, 2018

- Top Flight Security, LLC ("**Top Flight Security**") formerly provided security services and secured transportation services to Halo. Top Flight Security filed a claim for breach of contract seeking payment of invoices for the period of January 2017 through March 2018 in the amount of US$130,966.38 plus interest, attorneys' fees and costs. The parties have engaged in settlement discussions without success to date.

- A former employee filed a complaint with the Oregon Bureau of Labor and Industries ("**BOLI**") in May 2018, alleging that Halo discriminated on the basis of sex, gender identity, disability and for the employee's exercise of statutory rights as a victim of domestic violence and stalking. Halo and the employee reached a settlement in June 2018, but the employee has still not withdrawn the BOLI complaint because of a dispute over the amount of the employee's final paycheck.

Other than as described above, there have been no penalties or sanctions imposed against Halo by a court or regulatory authority, and Halo has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, since its formation.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below and elsewhere in this Circular no manager, executive officer or Halo Shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued Halo Common Shares, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction within the three years before the date of this Circular which has materially affected or is reasonably expected to materially affect Halo or a subsidiary of Halo.

Schedule "D"

INFORMATION CONCERNING THE RESULTING ISSUER

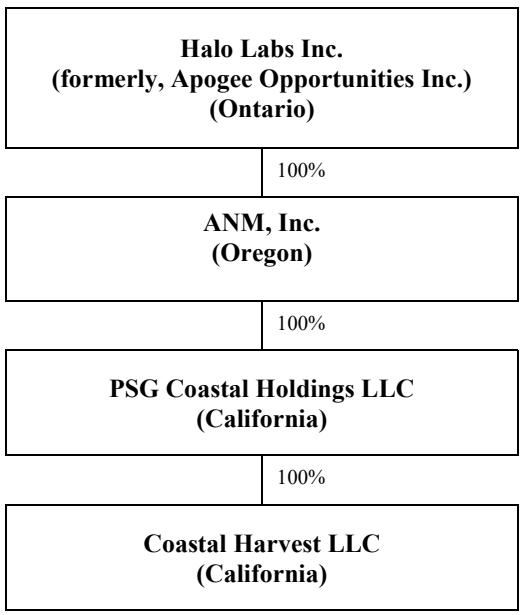
Terms not otherwise defined in this Schedule have the meanings ascribed to them in this Circular under the heading "*Glossary*".

CORPORATE STRUCTURE

Pursuant to the Business Combination, a series of transactions will be completed resulting in a reorganization of Halo and Apogee as a result of which the Resulting Issuer will become the direct parent and sole shareholder of Halo. For further details in respect of the principal steps of the Business Combination, see "*The Business Combination – Steps of the Business Combination*" in this Circular. Following completion of the Business Combination, the Resulting Issuer's head office will be located at 130 West Clark Street, Medford, Oregon 97501 and registered office will be located at 77 King St. West, Suite 400, Toronto, Ontario M5K 0A1.

In connection with the Business Combination, Apogee will file the Articles of Amendment to effect the Name Change.

Set forth below is the contemplated organization chart of the Resulting Issuer. The material subsidiaries of Halo are not contemplated to change in connection with the Business Combination. See *"Schedule "C" – Information Concerning Halo – Corporate Structure"* for further details as to the material subsidiaries of Halo.



The Resulting Issuer will carry on the business currently carried on by Halo. See "*Schedule "C" – Information Concerning Halo – Business"* for further details as to the business of Halo.

DIVIDEND POLICY

It is contemplated by Halo that the Resulting Issuer will reinvest all future earnings to finance the development and growth of its business. As a result, it is not contemplated that dividends will be paid on the Resulting Issuer Common Shares in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Resulting Issuer Board and will depend on the financial condition, business environment, operating

results, capital requirements, any contractual restrictions on the payment of dividends, and any other factors that the Resulting Issuer Board deems relevant.

DESCRIPTION OF SHARE CAPITAL OF THE RESULTING ISSUER

The authorized share capital of the Resulting Issuer following completion of the Business Combination shall consist of an unlimited number of Resulting Issuer Common Shares and an unlimited number of Resulting Issuer Restricted Shares. The following is a summary of the rights, privileges, restrictions and conditions attached to the Resulting Issuer Common Shares and the Resulting Issuer Restricted Shares.

Resulting Issuer Common Shares

Holders of Resulting Issuer Common Shares will be entitled to notice of and to attend at any meeting of the shareholders of the Resulting Issuer, except a meeting of which only holders of another particular class or series of shares of the Resulting Issuer will have the right to vote. At each such meeting holders of Resulting Issuer Common Shares will be entitled to one vote in respect of each Resulting Issuer Common Share held. Holders of Resulting Issuer Common Shares will be entitled to receive, as and when declared by the directors of the Resulting Issuer, dividends in cash or property of the Resulting Issuer. In the event of the liquidation, dissolution or winding-up of the Resulting Issuer, whether voluntary or involuntary, or in the event of any other distribution of assets of the Resulting Issuer among its shareholders for the purpose of winding up its affairs, the holders of Resulting Issuer Common Shares will, subject to the prior rights of the holders of any shares of the Resulting Issuer ranking in priority to the Resulting Issuer Common Shares, be entitled to participate rateably along with all other holders of Resulting Issuer Common Shares.

Resulting Issuer Restricted Shares

The holders of Resulting Issuer Restricted Shares will be entitled to receive notice of and to attend and vote at all meetings of the shareholders of Resulting Issuer and each holder of Resulting Issuer Restricted Shares will have the right to one vote for each Resulting Issuer Restricted Shares in person or by proxy at all meetings of the shareholders of the Resulting Issuer, except for the purpose of electing directors of the Resulting Issuer, in which case the holders of the Resulting Issuer Restricted Shares will not be entitled to vote.

The holders of the Resulting Issuer Restricted Shares will be entitled to receive such dividends as may be granted to holders of the Resulting Issuer Common Shares in any financial year as the board of directors of the Resulting Issuer may by resolution determine. All dividends which the Resulting Issuer Board may declare on the Resulting Issuer Common Shares and the Resulting Issuer Restricted Shares shall be declared and paid in equal amounts per share on all Resulting Issuer Common Shares and Resulting Issuer Restricted Shares at the time outstanding.

In the event of a Liquidation Event, the holders of the Resulting Issuer Restricted Shares will participate ratably in equal amounts per share as the holders of the Resulting Issuer Common Shares, without preference or distinction, in the remaining property and assets of the Resulting Issuer.

Subject to certain exceptions set out in the articles of the Resulting Issuer, in the event an offer is made to all or substantially all of the holders of Resulting Issuer Common Shares to purchase Resulting Issuer Common Shares, the holder of each Resulting Issuer Restricted Shares may require the Resulting Issuer to redeem their Resulting Issuer Restricted Shares at the applicable redemption price, which shall be the price at which the offer is made to the holders of the Resulting Issuer Common Shares.

In addition, subject to certain restrictions, each of the Resulting Issuer Restricted Shares will be convertible into one Resulting Issuer Common Share, without the payment of any additional consideration, at the option of the holder of the Resulting Issuer Restricted Shares at any time after the date that is the three year anniversary of the date of issuance of such Resulting Issuer Restricted Share.

PRO FORMA CONSOLIDATED CAPITALIZATION

The following table summarizes the share capital of the Resulting Issuer both prior and after giving effect to the Offerings and the Business Combination:

Description	Amount Outstanding Prior to Giving Effect to the Offerings and the Business Combination	Amount Outstanding After Giving Effect to the Offerings but Prior to Giving Effect to the Business Combination	Amount Outstanding After Giving Effect to the Offerings and the Business Combination
Resulting Issuer Common Shares	8,975,607	44,442,647	157,500,044[(2)]
Resulting Issuer Restricted Shares	Nil	Nil	Nil
Resulting Issuer Warrants	1,123,077	36,590,117	118,046,420[(2)]
Resulting Issuer Options	Nil	Nil	10,417,577
Resulting Issuer Agents' Compensation Options & Resulting Issuer Finders Options[(1)]	Nil	2,660,028	2,660,028

Notes:

(1) Does not include approximately 226,249 Resulting Issuer Warrants that may be issuable to the Agents (subject to negotiation) upon completion of the Halo Oregon Offering.

(2) Assumes closing the Business Combination on or about September 30, 2018, interest rates that vary depending on the particular instrument, and a CAD$1.30/US$1.00 exchange rate.

FULLY DILUTED SHARE CAPITAL

The following tables outline the expected number and percentage of securities of the Resulting Issuer proposed to be outstanding upon completion of the Business Combination:

Description of Issue	Number of Resulting Issuer Common Shares	Percentage of Total of Resulting Issuer Shares
Resulting Issuer Common Shares held by former Apogee shareholders	8,975,607	3.1%
Resulting Issuer Common Shares issued to purchasers of Subscription Receipts	26,506,370	9.1 %
Resulting Issuer Common Shares issued to purchasers of Special Units	9,908,250	3.4%
Resulting Issuer Common Shares issued to former Halo stockholders pursuant to the Definitive Agreement	112,109,817[(1)(3)]	38.3%
Resulting Issuer Warrants to purchase Resulting Issuer Common Shares issued to former holders of Halo Warrants	81,456,302[(2)]	27.9%
Resulting Issuer Warrants to purchase Resulting Issuer Common Shares issued to former holders of Apogee Warrants	1,123,077	0.4%

Resulting Issuer Warrants issued to purchasers of Subscription Receipts	26,506,370	9.1%
Resulting Issuer Warrants issued to purchasers of Special Units	9,908,250	3.4%
Resulting Issuer Options to purchase Resulting Issuer Common Shares issued to Halo option holders[6]	10,417,577	3.6%
Resulting Issuer Finders' & Agents' Compensation Options to purchase Resulting Issuer Common Shares	2,660,028	0.9%
Resulting issuer Finders' and Agents' Compensation Options exercisable into Resulting Issuer Warrants[4]	2,886,277	1.0%
Total Fully Diluted Resulting Issuer Share Capital[5]	**292,457,925**	**100%**

Notes:

(1) This number of Resulting Issuer Common Shares is comprised of: (i) 36,280,854 Resulting Issuer Common Shares issued to persons holding Halo Common Shares as of the date of this Circular, (ii) 10,053,267 Resulting Issuer Common Shares issued to persons holding the Halo 2017 Convertible Notes as of the date of this Circular, (iii) 26,154,983 Resulting Issuer Common Shares issued to persons holding the Halo 2018 Convertible Notes as of the date of this Circular, (iv) 7,992,219 Resulting Issuer Common Shares issued to persons holding the Halo Related Party Promissory Notes as of the date of this Circular; (v) 1,084,794 Resulting Issuer Common Shares issuable to service providers to which Halo intends to issue its common shares under the Halo Stock Incentive Plan; and (vi) 30,543,700 Resulting Issuer Common Shares issued to persons holding the Halo Pre-RTO Notes assuming gross proceeds of the Halo Oregon Offering of approximately US$9,254,978, of which US$3,625,000 has closed as of the date of this Circular, and an exchange rate of CAD$1.30/US$1.00.

(2) This number of Resulting Issuer Warrants is comprised of: (i) 9,193,500 Resulting Issuer Warrants issued to persons holding Halo Warrants as of the date of this Circular, (ii) 18,045,487 Resulting Issuer Warrants issued to persons holding the Halo 2017 Convertible Notes and Halo Related Party Promissory Notes as of the date of this Circular, and (iii) 54,217,315 Resulting Issuer Warrants issued to persons holding Halo Pre-RTO Notes assuming gross proceeds of the Halo Oregon Offering of approximately US$9,254,978, of which US$3,625,00 has closed as of the date of this Circular, and an exchange rate of CAD$1.30/US$1.00.

(3) Assumes closing the Business Combination on or about September 30, 2018, interest rates that vary depending on the particular instrument and a CAD$1.30/US$1.00 exchange rate.

(4) Includes approximately 226,249 Resulting Issuer Warrants that may be issuable to the Agents (subject to negotiation) upon completion of the Halo Oregon Offering.

(5) Final numbers issuable on the Closing Date are subject to the assumptions noted above and rounding.

(6) This number of Resulting Issuer Options includes 6,236,727 Halo Options that are not yet outstanding, but that are expected to be granted prior to the completion of the Business Combination.

PRINCIPAL SECURITYHOLDERS

To the best of Halo and Apogee's knowledge, as of the date hereof, no persons or companies are contemplated to beneficially own, directly or indirectly, or exercise control or direction over, directly or indirectly, 10% or more of the Resulting Issuer Common Shares after giving effect to the Business Combination.

MANAGEMENT

The following table sets out, for each of the Resulting Issuer's proposed directors and executive officers, the person's name, age, state and country of residence, proposed position with the Resulting Issuer, principal occupation(s) during the last five years, and, if an existing officer of Halo, the date on which the person became such an officer. The Resulting Issuer's directors are expected to hold office until its next annual general meeting of shareholders unless they resign prior thereto or are removed by the shareholders of the Resulting Issuer. The Resulting Issuer's directors will be elected annually and, unless re-elected, will retire from office at the end of the next annual

general meeting of shareholders.

Upon completion of the Business Combination, the size of the initial Resulting Issuer Board will be six directors.

Under NI 52-110, an independent director is one who is free from any direct or indirect relationship that could, in the view of the Resulting Issuer Board, be reasonably expected to interfere with a director's exercise of independent judgment. It is expected that three proposed officers of the Resulting Issuer will not be considered independent and that three will be considered independent.

Proposed Directors and Executive Officers

Name and State and Country of Residence	Age	Proposed Position(s) with the Resulting Issuer	Halo Officer Since	Principal Occupation(s)
G. Scott Paterson[(2)] Ontario, Canada	54	Non-Executive Chairman of the Board of Directors	N/A	Principal, Paterson Partners
Kiran Sidhu Washington, USA	53	CEO and Director	April, 2016	Cannabis Executive and Investor
Fred Leigh[(1)(2)] Ontario, Canada	62	Director	N/A	President, Siwash Holdings Ltd.
Andreas Met Oregon, USA	54	Chief Operating and Compliance Officer, and Director	April 2016	Former Head of Sales and Marketing at Golden Leaf Holdings Ltd.
Peter McRae[(2)] Ontario, Canada	71	Director	N/A	Non-Executive Chairman of Freedom International Brokerage Company
Philip van den Berg Gibraltar	60	CFO and Director	July 2018	Former CFO of Namaste Technologies and Golden Leaf Holding Ltd., Investment Manager and Managing Director of Taler Asset Management
Shailesh Bhushan India	50	Chief Accounting Officer	July 2018	Former Controller of Namaste Technologies, URT1 and Golden Leaf Holdings Ltd.

Notes:
(1) Under NI 52-110, a former CEO of an issuer would not be considered independent for three years after his resignation; Mr. Leigh will be CEO of Apogee until completion of the Business Combination. It is Apogee's and Halo's position that Mr. Leigh is independent given that Mr. Leigh has had no previous involvement with Halo or the business of Halo or the business of the Resulting Issuer.
(2) Deemed to be an independent director.

Biographies

The following are brief profiles of the Resulting Issuer's proposed executive officers and directors**.**

Kiran Sidhu, *proposed CEO and Director*

Kiran Sidhu has been the CEO of Halo since April 2016. Mr. Sidhu also is currently a non-executive director and audit committee chairman of Namaste Technologies Inc. ("**Namaste**") (TSX-V: N), a technology company that provides cannabis-related marketplaces for products and services in 20 countries. Mr. Sidhu is the Managing Member of Catalyst Capital LLC ("**Catalyst**") which he founded in 1999. Catalyst has invested in startup companies in technology, biotechnology and cannabis. Mr. Sidhu was the Chairman and CEO of Transact Network Ltd. ("**Transact Network**"), a leading EU electronic money institution. In 2011, Transact Network was sold to The Bancorp, Inc. (NYSE: TBBK). Prior to founding Transact Network, Mr. Sidhu was the Managing Director of Aspen Communications, an Indian outsourcing company that provided e-commerce fraud detection, accounting, customer support, systems support and data analytics services to large e-gaming companies, primarily Party Gaming PLC (LSE:PRTY). Earlier in his career, Mr. Sidhu served as the CFO of On Stage Entertainment (NASDAQ: ONST) and oversaw its initial public offering on NASDAQ. On Stage Entertainment was subsequently sold to McCown De Leeuw & Co. Mr. Sidhu was a founder and the Finance Director of Nano Universe PLC (LSE-AIM: NANO) where he oversaw its listing on the LSE-AIM. Mr. Sidhu was a Manager with Price Waterhouse's strategic consulting group in Los Angeles and a Senior Associate with Merrill Lynch Capital Markets in mergers and acquisitions in New York. Mr. Sidhu graduated with honors in Computer Science from Brown University and has an MBA in Finance from Wharton School of Business.

Upon completion of the Business Combination, Mr. Sidhu will be appointed CEO and a director of the Resulting Issuer.

Philip van den Berg, *proposed CFO and Director*

Philip van den Berg joined Halo as a non-executive director in April 2016. Mr. van den Berg was a director and the CFO at Namaste from October 2016 until June 2018, following the acquisition of URT1 by Namaste. Prior to joining Namaste, Mr. van den Berg was director at URT1 Ltd. from May 2016 until the company was acquired by Namaste in late 2016. Mr. van den Berg was also a director and the CFO at Golden Leaf Holdings Ltd (CSE: GLH) ("**Golden Leaf**"), one of the first cannabis companies in the U.S. to be listed in Canada, and managed its public listing. Golden Leaf Holdings began trading on the Canadian Stock Exchange in October 2015. Prior to becoming an investor and operator in the cannabis space, Mr. van den Berg co-founded Taler Asset Management Ltd. in 2006, a wealth management firm, where he was managing director, chief investment officer and compliance officer. Prior to founding Taler Asset Management, Mr. van den Berg was co-owner and chief investment officer of a long-short equity hedge fund, Olympus Capital Management Ltd., from 1995 until 2006, one of the first European hedge funds. Mr. van den Berg worked on the sell-side as investment analyst, supervisory analyst and member of the investment policy committee at Goldman Sachs in London from 1987 until 1995. He was one of the founding members of the European research department at Goldman Sachs. Mr. van den Berg left Goldman Sachs and joined Deutsche Morgan Grenfell as an Executive Director to help re-establish its global equities and investment banking division. Mr. van den Berg started his career in investment banking at Pierson, Heldring & Pierson in the Netherlands after graduating cum laude in business economics in 1985 at the University of Amsterdam.

Upon completion of the Business Combination, Mr. van den Berg will be appointed CFO and a director of the Resulting Issuer.

Andreas Met, *proposed Chief Operating and Compliance Officer and Director*

Andreas Met has been the Chief Operating Officer and a director of Halo since April 2016. Mr. Met was Head of Sales and Marketing at Golden Leaf from October 2014 through October 2015. Before Golden Leaf, Mr. Met was a senior merchant on the Wal-Mart Household Chemicals desk, responsible for US$5.4 billion sales and US$1 billion gross profit. Mr. Met also acted as a Director of Merchandise Finance at Wal-Mart's Dry Grocery Division. Prior to his time at Wal-Mart, Mr. Met was the head of Player Analytics at Party Gaming PLC. Mr. Met has worked in various consumer packaged goods sales and marketing leadership positions at Targus, Rainbird, Conagra and Nabisco. Mr. Met recieved a Bachelor of Arts Degree at Southern Oregon University and has an MBA in Product and Price Marketing from the University of Wisconsin, Madison.

Upon completion of the Business Combination, Mr. Met will be appointed Chief Operating and Compliance Officer and a director of the Resulting Issuer.

G. Scott Paterson, *proposed Director and Non-Executive Chairman*

G. Scott Paterson is a technology entrepreneur focused on fintech and media. Mr. Paterson is currently a director and Chairman of Apogee. Mr. Paterson is currently a director of Lions Gate Entertainment Corp. and chairs that company's Audit & Risk Committee, is the Executive Chairman of FutureVault Inc. and is a director of Symbility Solutions Inc. and Engagement Labs Inc., each of which are public companies.

Mr. Paterson has served the Canadian investment industry in multiple capacities. Mr. Paterson has previously served as Chairman and CEO of Yorkton Securities, Chairman of the Canadian Venture Stock Exchange and Vice Chairman of the Toronto Stock Exchange. He has also served as a Governor of the Investment Dealers Association of Canada and as a member of the Board of Directors for both the Canadian Investor Protection Fund and the Canadian Securities Institute.

From April 1995 until December 2001, Mr. Paterson led Yorkton Securities Inc. into becoming Canada's leading technology investment bank, serving as Chairman, CEO, President and Executive Vice President during his tenure. Under his leadership, Yorkton raised over CAD$3 billion as lead underwriter for Canadian technology, biotechnology and film and entertainment companies.

Mr. Paterson is a graduate of Ridley College and earned a Bachelor of Arts (Economics) degree from the University of Western Ontario. He is also a graduate of the Western Executive Program (Ivey) from the University of Western Ontario. Mr. Paterson also earned a Certificate in Entertainment Law from Osgoode Hall Law School, York University.

Mr. Paterson was also acknowledged by his alma mater in 2000, receiving the University of Western Ontario's highest award for an alumnus, the Purple & White Award. In January 2007, Mr. Paterson was further recognized internationally by Newsweek magazine as one of the "Who's Next in 2007" in connection with his role as CEO of JumpTV.

Upon completion of the Business Combination, Mr. Paterson will be appointed a director and non-executive Chairman of the Resulting Issuer.

Assuming the Resulting Issuer Board Resolution is approved at the Meeting, the Board has agreed that Mr. Paterson shall have the right to recommend for nomination a seventh director, subject to Board approval. Mr. Paterson intends to make this recommendation following completion of the Business Combination.

Fred Leigh, *proposed Director*

Fred Leigh is currently the CEO of Apogee. Mr. Leigh has been involved in the junior resource sector for more than 30 years and has had a significant role as founder, director and/or investor in many public companies. He is also the founder and President of Siwash Holdings Ltd. ("**Siwash**"), a privately held company which, for over 23 years has invested in early stage opportunities in the resource sector. Siwash was an early investor in successful companies such as Wheaton River Minerals, Hathor Exploration and Blue Pearl Mining. Mr. Leigh's principal occupation for the last five years has been as President of Siwash.

Upon completion of the Business Combination, Mr. Leigh will be appointed a director of the Resulting Issuer.

Peter McRae*, proposed Director*

Peter McRae is a Chartered Accountant and Chartered Professional Accountant. He attended the University of Toronto's Rotman School of Management in 2008 and graduated from the Directors Education Program of the Institute of Corporate Directors with an ICD.D designation. Mr. McRae is currently Chairman and a director of Freedom International Brokerage Company. He was Freedom's President and CEO from 1994 to 2015. Mr. McRae has over 30 years of experience in the financial services industry. His earlier career involved four years in Abu Dhabi as a Financial Administrator for an engineering firm before joining the investment dealer Wood

Gundy, first in Toronto, and subsequently in New York. Mr. McRae has been a director of several public companies and currently sits on the board of directors of CanPx Corporation, an investment industry consortium that provides transparency in the Canadian fixed income markets. He is also a director and the Chair of the audit committee of Merry Go Round Children's Foundation and has been involved in supporting and fundraising for Gilda's Club of Greater Toronto since its inception.

Upon completion of the Business Combination, Mr. McRae will be appointed a director of the Resulting Issuer.

Shailesh Bhushan, *proposed Chief Accounting Officer*

Shailesh Bhushan has served as the acting Chief Accounting Officer of Halo since July 2016. Mr. Bhushan was also the Financial Controller of Namaste from October 2016 to July 2018. Prior to his role at Namaste, Mr. Bhushan was Financial Controller of URT1 until its acquisition by Namaste in late 2016. Prior to his time at URT1, Mr. Bhushan contributed in the establishment of Transact Network and managed its back-office operations in New Delhi, India. Mr. Bhushan has worked for many startups including Golden Leaf where he managed and set up the company's first financial systems as their first Financial Controller. Mr. Bhushan has also worked since 2005 as Director Finance of Aspen Communications, an Indian outsourcing company, which provides e-commerce fraud detection, accounting, customer and systems support and data analytics services to European and US-based customers. Earlier in his career, Mr. Bhushan worked in managerial positions of leading Indian business houses such as Reliance and DLF handling project accounting, and franchisee operations. Mr. Bhushan is a Chartered Accountant and holds a master's degree in commerce from Agra University.

Upon completion of the Business Combination, Mr. Bhushan will be appointed the Chief Accounting Officer of the Resulting Issuer.

Corporate Cease Trade Orders

None of the Resulting Issuer's proposed directors or executive officers has, within the 10 years prior to the date of this Circular, been a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation, in each case for a period of more than 30 consecutive days.

Corporate Bankruptcies

None of the Resulting Issuer's proposed directors or executive officers has, within the 10 years prior to the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of such proposed director or executive officer, been a director or executive officer of any company, 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 comprise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No proposed director or executive officer of the Resulting Issuer has:

- been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision,

other than, in December 2001, Mr. Paterson reached a voluntary settlement with the Ontario Securities Commission in respect to administrative proceedings that included a suspension of his registration for two years and a CAD$1 million voluntary payment. There were no allegations that Mr. Paterson had violated any securities law, statute, regulation or policy statement.

Conflicts of Interest

To the best of Halo and Apogee's knowledge, there are no known existing or potential material conflicts of interest among Halo or a subsidiary of Halo or Apogee or a subsidiary of Apogee or the Resulting Issuer or a subsidiary of the Resulting Issuer and a proposed director or officer of the Resulting Issuer or a subsidiary of the Resulting Issuer as a result of their outside business interests except that certain of the Resulting Issuer's or its subsidiaries' proposed directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to Halo, Apogee or the Resulting Issuer and their duties as a director or officer of such other companies.

INTERESTS OF DIRECTORS AND OFFICERS OF THE RESULTING ISSUER

The following is a summary of the interests of any proposed director or officer of the Resulting Issuer (before and after giving effect to the Business Combination):

Director or Officer	Position	Number of Apogee or Halo securities prior to giving effect to the Business Combination	Number of securities held in the Resulting Issuer upon completion of the Business Combination[15]
G. Scott Paterson	Non-executive Chairman, Director	1,005,515 Apogee Common Shares 1,229,128 Halo Common Shares[1] 1,037,037 Halo Options[2] 1,375,000 Subscription Receipts	2,380,515 Resulting Issuer Common Shares[9] 1,400,000 Resulting Issuer Options 1,375,000 Resulting Issuer Warrants[9]
Kiran Sidhu	CEO and Director	347,116 Halo Common Shares[3] 1,037,037 Halo Options[4]	4,890,194 Resulting Issuer Common Shares[10] 1,400,000 Resulting Issuer Options
Philip van den Berg	CFO and Director	885,330 Halo Common Shares 555,556 Halo Options[5] US$100,000 Halo Pre-RTO Notes	2,842,588 Resulting Issuer Common Shares[11][12] 750,000 Resulting Issuer Options 495,612 Resulting Issuer Warrants[13]
Andreas Met	Chief Operating and Compliance Officer	1,243,359 Halo Common Shares 955,556 Halo Options[6]	1,678,534 Resulting Issuer Common Shares 1,290,000 Resulting Issuer Options
Shailesh Bhushan	Chief Accounting Officer	0 Halo Common Shares 296,296 Halo Options[7]	1,249,855 Resulting Issuer Common Shares[14] 400,000 Resulting Issuer Options
Fred Leigh	Director	115,955 Halo Common Shares 222,222 Halo Options[8]	156,539 Resulting Issuer Common Shares 300,000 Resulting Issuer Options
Peter McRae	Director	0 Halo Common Shares 0 Halo Options	0 Resulting Issuer Common Shares 0 Resulting Issuer Options

Notes:
(1) Not included in the total above are 579,777 shares held by the Paterson Family Trust.
(2) These 1,037,037 Halo Options are not yet outstanding, but are expected to be granted prior to the completion of the Business Combination.
(3) Not included in the total above are 5,851,939 shares held by Dr. Satwant Sidhu, Kiran Sidhu's mother, or 4,424,980 Resulting Issuer Common Shares to be issued to her upon completion of the Business Combination.
(4) These 1,037,037 Halo Options are not yet outstanding, but are expected to be granted prior to the completion of the Business Combination.
(5) These 555,556 Halo Options are not yet outstanding, but are expected to be granted prior to the completion of the Business Combination.
(6) This amount is comprised of: (i) 400,000 Halo Options granted as of the date of this Circular, and (ii) 555,556 Halo Options that are not yet

outstanding, but are expected to be granted prior to the completion of the Business Combination.

(7) These 296,296 Halo Options are not yet outstanding, but are expected to be granted prior to the completion of the Business Combination.

(8) These 222,222 Halo Options are not yet outstanding, but are expected to be granted prior to the completion of the Business Combination.

(9) In connection with the Brokered Offering, Mr. Paterson purchased 1,375,000 Subscription Receipts, which, following completion of the Business Combination, will result in the issuance of 1,375,000 Resulting Issuer Common Shares and 1,375,000 Resulting Issuer Warrants with an exercise price of CAD$0.80.

(10) This number includes (i) 3,800,879 Resulting Issuer Common Shares issuable upon the conversion of US$354,838 of Halo Related Party Convertible Notes held indirectly by Mr. Sidhu and (ii) 620,709 Resulting Issuer Common Shares issuable upon the conversion of US$113,216 of Halo 2017 Convertible Notes held indirectly by Mr. Sidhu.

(11) In connection with the Halo Oregon Offering, Mr. van den Berg purchased US$100,000 worth of Halo Pre-RTO Notes, which, following completion of the Business Combination, will result in 247,806 Resulting Issuer Common Shares.

(12) This number includes (i) 686,299 Resulting Issuer Common Shares issuable upon the conversion of US$125,180 of Halo Related Party Convertible Notes held by Mr. van den Berg and (ii) 713,288 Resulting Issuer Common Shares issuable upon the conversion of the Halo 2018 Convertible Notes of US$52,836 held by Mr. van den Berg.

(13) This number is comprised of 247,806 Resulting Issuer Warrants with an exercise price of CAD$0.80 and 247,806 Resulting Issuer Warrants with an exercise price of CAD$0.50, issued upon conversion of the Halo Pre-RTO Notes.

(14) This number includes (i) 488,381 Resulting Issuer Common Shares issuable upon the conversion of US$89,080 Halo Related Party Convertible Notes held by Mr. Bhushan and (ii) 761,474 Resulting Issuer Common Shares issuable upon the conversion of the Halo 2018 Convertible Notes of US$56,405.48 held by Mr. Bhushan.

(15) The number of Resulting Issuer Common Shares or Warrants ultimately issuable is dependent on the US$/CAD$ exchange rate on the Closing Date and applicable interest rates. The numbers in this table, as applicable, are calculated using an exchange rate of CAD$1.3158/US$1.00.

EXECUTIVE COMPENSATION

Named Executive Officers

For the purposes of this section, the "Named Executive Officers" are the proposed CEO and CFO of the Resulting Issuer and the most highly compensated executive officer of the Resulting Issuer anticipated following the completion of the Business Combination (other than the CEO and CFO), being Kiran Sidhu (the proposed CEO) and Philip van den Berg (the proposed CFO), as well as Andreas Met (the proposed Chief Operating and Compliance Officer) and Shailesh Bhushan (the proposed Chief Accounting Officer). The biographies of each of the Named Executive Officers are set out under "*Management*" above. Additional details regarding the compensation anticipated to be paid to the Named Executive Officers are set out below in this section.

Compensation of Executives

The Resulting Issuer's compensation practices will be designed to retain, motivate and reward its executive officers for their performance and contribution to the Resulting Issuer's long-term success. The Resulting Issuer Board will seek to compensate the Resulting Issuer's executive officers by combining short and long-term cash and equity incentives. It will also seek to reward the achievement of corporate and individual performance objectives, and to align executive officers' incentives with shareholder value creation. The Resulting Issuer Board will seek to tie individual goals to the area of the executive officer's primary responsibility. These goals may include the achievement of specific financial or business development goals. The Resulting Issuer Board will also seek to set company performance goals that reach across all business areas and include achievements in finance/business development and corporate development.

The proposed independent directors of the Resulting Issuer will review and recommend the executive compensation arrangements and the employment agreements for the CEO, CFO, Chief Operating and Compliance Officer and Chief Accounting Officer. The ultimate decision will rest with the CEO in all cases, except for his own.

Benchmarking

Following the completion of the Business Combination, the executive team is expected to establish an appropriate comparator group for purposes of setting the future compensation of the Named Executive Officers.

Elements of Compensation

The compensation of the Named Executive Officers will include three major elements: (a) base salary, (b)

an annual, discretionary cash bonus, and (c) long-term equity incentives granted under the New Equity Incentive Plan and any other equity plan that may be approved by the Resulting Issuer Board. These three principal elements of compensation are described below.

Base Salary

Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries will be determined on an individual basis, taking into consideration the past, current and potential contribution to the Resulting Issuer's success, the position and responsibilities of the Named Executive Officers and competitive industry pay practices for other high growth, premium brand companies of similar size and revenue growth potential.

Annual Cash Bonus

Annual bonuses will be awarded based on qualitative and quantitative performance standards, and will reward performance of the Named Executive Officer individually. The determination of a Named Executive Officer's performance may vary from year to year depending on economic conditions and conditions in the cannabis industry, and may be based on measures such as stock price performance, the meeting of financial targets against budget (such as adjusted funds from operations), the meeting of acquisition objectives and balance sheet performance.

Long Term Equity Incentives

It is contemplated that the Resulting Issuer Board shall allocate long term equity incentives from time to time to officers of the Resulting Issuer.

New Equity Incentive Plan

In connection with the Business Combination, Apogee is seeking approval of the New Equity Incentive Plan. For further details in respect of the New Equity Incentive Plan, please see "*Particulars of Matters to be Acted Upon at the Meeting – Summary of New Equity Incentive Plan*" in this Circular.

Pension Plan Benefits

The Resulting Issuer does not intend to implement any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Summary Compensation Table

The following table sets out information concerning the expected compensation to be earned by, paid to, or awarded to the Named Executive Officers of the Resulting Issuer for the fiscal year ended December 31, 2018.

Name and Principal Position	Year ended	Salary (US$)[1]	Bonus (US$)	Long term incentive plans (US$)[2]	All other compensation (US$)	Total Compensation (US$)
Kiran Sidhu *CEO*	2018	190,000	TBD	385,929	TBD	575,929
Philip van den Berg *CFO*	2018	180,000	TBD	160,804	TBD	340,804
Andreas Met *Chief Operating and Compliance Officer*	2018	180,000	TBD	257,286	TBD	437,286

Shailesh Bhushan *Chief Accounting Officer*	2018	120,000	TBD	128,643	TBD	248,643

Notes:

(1) This amount is an annualized figure and will be pro-rated from the closing of the Business Combination until the end of the fiscal year of the Resulting Issuer.

(2) Each of the Named Executive Officers will have stock options that they will be granted in Halo prior to the Business Combination converted into Resulting Issuer options under the New Equity Incentive Plan, such that upon the completion of the Business Combination, they will hold the following Resulting Issuer options: (i) Kiran Sidhu – 1,400,000, (ii) Philip van den Berg – 750,000, (iii) Andreas Met – 1,290,000 and (iv) Shailesh Bhushan – 400,000.

Employment, Termination and Change of Control Benefits

Concurrently with, or immediately prior to, the Business Combination, it is expected that each of the proposed Named Executive Officers of the Resulting Issuer will enter into written employment agreements with the Resulting Issuer. Details regarding the compensation anticipated to be paid to the Named Executive Officers under such executive employment agreements are set out below.

Kiran Sidhu, Chief Executive Officer

It is intended that Mr. Sidhu will enter into a written employment agreement with the Resulting Issuer. Pursuant to the terms and conditions of the agreement, Mr. Sidhu will be employed as the Chief Executive Officer of the Resulting Issuer. In consideration of Mr. Sidhu's services as Chief Executive Officer, the Resulting Issuer will pay Mr. Sidhu a base annual salary of US$190,000. Mr. Sidhu will also be eligible to receive an annual cash bonus of an amount to be determined in the discretion of the Resulting Issuer Board. In the event that Mr. Sidhu is terminated by the Resulting Issuer for reasons other than for cause, Mr. Sidhu will be entitled to receive a lump sum amount equal to twelve months of his then existing monthly base salary on the termination date.

Andreas Met, Chief Operating and Compliance Officer

It is intended that Mr. Met will enter into a written employment agreement with the Resulting Issuer. Pursuant to the terms and conditions of the agreement, Mr. Met will be employed as the Chief Operating and Compliance Officer of the Resulting Issuer. In consideration of Mr. Met's services as Chief Operating and Compliance Officer, the Resulting Issuer will pay Mr. Met a base annual salary of US$180,000. Mr. Met will also be eligible to receive an annual cash bonus of an amount to be determined in the discretion of the Resulting Issuer Board. In the event that Mr. Met is terminated by the Resulting Issuer for reasons other than for cause, Mr. Met will be entitled to receive a lump sum amount equal to six months of his then existing monthly base salary on the termination date.

Philip van den Berg, Chief Financial Officer

It is intended that Mr. van den Berg will enter into a written employment agreement with the Resulting Issuer. Pursuant to the terms and conditions of the agreement, Mr. van den Berg will be employed as the Chief Financial Officer of the Resulting Issuer. In consideration of Mr. van den Berg's services as Chief Financial Officer, the Resulting Issuer will pay Mr. van den Berg a base annual salary of US$180,000. Mr. van den Berg will also be eligible to receive an annual cash bonus of an amount to be determined in the discretion of the Resulting Issuer Board. In the event that Mr. van den Berg is terminated by the Resulting Issuer for reasons other than for cause, Mr. van den Berg will be entitled to receive a lump sum amount equal to six months of his then existing monthly base salary on the termination date.

Shailesh Bhushan, Chief Accounting Officer

It is intended that Mr. Bhushan will enter into a written employment agreement with the Resulting Issuer. Pursuant to the terms and conditions of the agreement, Mr. Bhushan will be employed as the Chief Accounting Officer of the Resulting Issuer. In consideration of Mr. Bhushan's services as Chief Accounting Officer, the Resulting Issuer will pay Mr. Bhushan a base annual salary of US$120,000. Mr. Bhushan will also be eligible to receive an annual cash bonus of an amount to be determined in the discretion of the Resulting Issuer Board. In the

event that Mr. Bhushan is terminated by the Resulting Issuer for reasons other than for cause, Mr. Bhushan will be entitled to receive a lump sum amount equal to six months of his then existing monthly base salary on the termination date.

DIRECTOR COMPENSATION

After completion of the Business Combination, it is anticipated that the Resulting Issuer will pay compensation to its directors in the form of annual fees for attending meetings of the Resulting Issuer Board. Directors may receive additional compensation for acting as chairs of committees of the Resulting Issuer Board. Directors will also be entitled to receive stock options and other applicable awards in accordance with the terms of the New Equity Incentive Plan and the NEO Exchange requirements and will be reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Resulting Issuer Board, committees of the Resulting Issuer Board or meetings of the shareholders of the Resulting Issuer. It is also anticipated that the Resulting Issuer will obtain customary insurance for the benefit of its directors and enter into indemnification agreements with its directors pursuant to which the Resulting Issuer will agree to indemnify its directors to the extent permitted by applicable law.

CORPORATE GOVERNANCE

Upon completion of the Business Combination, the Resulting Issuer Board will adopt such board committee charters, codes and policies as it deems necessary in accordance with good corporate governance practices given the stage of the Resulting Issuer.

Initially, the only committee of the Resulting Issuer Board will be the Resulting Issuer Audit Committee. Compensation, corporate governance and nominating functions will be carried out by the full Resulting Issuer Board. Upon completion of the Business Combination, the Resulting Issuer Audit Committee is expected to be comprised of Peter McRae, G. Scott Paterson and Fred Leigh, with Peter McRae acting as Chair of the committee. For the purposes of NI 52-110, Peter McRae and G. Scott Paterson are "independent".

For the purposes of NI 52-110, an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements. All proposed members of the Resulting Issuer Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues and are "financially literate" for the purposes of NI 52-110. The experience of each proposed member of the Resulting Issuer Audit Committee relevant to the performance of his or her duties as a member of the Resulting Issuer Audit Committee can be found under the heading "*Management – Biographies*" above.

The mandate of the Resulting Issuer Audit Committee will be to assist the Resulting Issuer Board in fulfilling its financial oversight responsibilities. The Resulting Issuer Audit Committee will review and consider in consultation with the external auditor of the Resulting Issuer the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Resulting Issuer Board, management and the external auditor. The Resulting Issuer Audit Committee will be governed by the Charter of the Resulting Issuer Audit Committee, included as Schedule "O" to this Circular.

The following proposed directors of the Resulting Issuer are also directors of other reporting issuers (or the equivalent) in Canada or a foreign jurisdiction.

Name	Name of Other Reporting Issuer	Name of Exchange
Kiran Sidhu	Namaste Technologies Inc.	TSXV

G. Scott Paterson	Lions Gate Entertainment Corp.	NYSE
	Symbility Solutions Inc.	TSXV
	Engagement Labs Inc.	TSXV
Peter McRae	Founders Advantage Capital Corp.	TSXV
	Eco Oro Mineral Corp.	CSE
	Crown Mining Corporation	TSXV

INDEBTEDNESS OF RESULTING ISSUER DIRECTORS AND EXECUTIVE OFFICERS

As of the completion of the Business Combination, no indebtedness is expected to be owing to the Resulting Issuer from any of its proposed directors or executive officers or any associate of such person, including in respect of indebtedness to others where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Resulting Issuer or any of its subsidiaries.

RISK FACTORS

The following are certain factors relating to the business of the Resulting Issuer assuming completion of the Business Combination. Apogee Shareholders should carefully consider these risk factors, along with the risk factors described elsewhere in this Circular, including the risk factors related to the business of Halo described in "*Schedule "C" – Information Concerning Halo – Risk Factors*", which are incorporated herein by reference. As the cannabis-related risk factors (along with the other risk factors related to the business of Halo) will equally apply to the Resulting Issuer upon completion of the Business Combination, these cannabis-related risk factors have been reproduced in their entirety below. These risks and uncertainties are not the only ones facing the Resulting Issuer. Additional risks and uncertainties not presently known to Apogee or currently deemed immaterial by Apogee, may also impair the operations of the Resulting Issuer. If any such risks actually occur, shareholders of the Resulting Issuer could lose all or part of their investment and the business, financial condition, liquidity, results of operations and prospects of the Resulting Issuer could be materially adversely affected and the ability of the Resulting Issuer to implement its growth plans could be adversely affected.

The acquisition of any of the securities of the Resulting Issuer is speculative, involving a high degree of risk and should be undertaken only by persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Resulting Issuer should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Apogee Shareholders should evaluate carefully the following risk factors associated with the Resulting Issuer's securities, along with the risk factors described elsewhere in this Circular.

Anti-Money Laundering Laws, Banking Regulations and Bankruptcy Protection.

Under U.S. federal law, it may be a violation of federal money laundering statutes for financial institutions to take any proceeds from the sale of cannabis or any other Schedule I controlled substance under the Federal CSA. Canadian banks are likewise hesitant to deal with cannabis companies due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions, particularly those that are federally chartered in the U.S., could be prosecuted and possibly convicted of money laundering for providing services to businesses with operations or a connection to cannabis. Despite these laws, FinCEN issued the FinCEN Memorandum outlining the pathways for financial institutions to bank state-sanctioned cannabis businesses in compliance with federal enforcement priorities. The FinCEN Memorandum echoed the enforcement priorities of the 2013 Cole Memorandum. Under these guidelines, financial institutions must submit a SAR in connection with all cannabis-related banking activities by any client of such financial institution, in accordance with federal money laundering laws. These cannabis-related SARs are divided into three categories, being cannabis limited, cannabis priority and cannabis terminated, which are based on the financial institution's belief that the business in question follows state law, is operating outside of compliance with state law or where the banking relationship has been terminated,

respectively.

On the same day the FinCEN Memorandum was published, the U.S. DOJ issued the 2014 Cole Memorandum directing prosecutors to apply the enforcement priorities of the 2013 Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of cannabis-related conduct. The 2014 Cole Memorandum was rescinded as of January 4, 2018, along with the 2013 Cole Memorandum, removing guidance that enforcement of applicable financial crimes against state-compliant actors was not a U.S. DOJ priority.

However, U.S. Attorney General Jeff Sessions' rescission of the 2013 Cole Memorandum and the 2014 Cole Memorandum has not affected the status of the FinCEN Memorandum, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself. Though it was originally intended for the 2014 Cole Memorandum and the FinCEN Memorandum to work in tandem, the FinCEN Memorandum appears to be a standalone document which explicitly lists the eight enforcement priorities originally cited in the 2013 Cole Memorandum. As such, the FinCEN Memorandum remains intact.

While the FinCEN Memorandum has not been rescinded by the U.S. DOJ at this time, it remains unclear whether the current administration will follow its guidelines. Overall, the U.S. DOJ continues to have the right and power to prosecute crimes committed by banks and financial institutions, such as money laundering and violations of the Bank Secrecy Act, that occur in any state, including in states that have legalized the applicable conduct, and the U.S. DOJ's current enforcement priorities could change for any number of reasons, including a change in the opinions of the President of the United States or the U.S. Attorney General. A change in the U.S. DOJ's enforcement priorities could result in the U.S. DOJ prosecuting banks and financial institutions for crimes that previously were not prosecuted.

Banks often refuse to provide banking services to businesses involved in the cannabis industry due to the present state of the laws and regulations governing financial institutions in the United States. The lack of banking and financial services presents unique and significant challenges to businesses operating in and ancillary to the cannabis industry. The potential lack of a secure place in which to deposit and store cash, the inability to pay creditors through the issuance of checks and the inability to secure traditional forms of operational financing, such as lines of credit, are some of the many challenges presented by the lack of traditional banking and financial services available to businesses operating in or ancillary to the cannabis industry.

Additionally, Halo does not have protection under U.S. bankruptcy laws. U.S. bankruptcy laws were adopted to protect financially troubled businesses and to provide for orderly distributions to business creditors. All bankruptcy cases are handled in U.S. federal courts, and the U.S. DOJ has stated that it is the USTP's position that no assets associated with the cannabis industry can be liquidated or restricted following bankruptcy without violating the Federal CSA. In addition, the Director of the USTP recently issued a letter to 1,100 trustees who administer bankruptcy cases urging the trustees to monitor and report to the U.S. DOJ cannabis companies looking to declare bankruptcy.

If any of the Resulting Issuer's operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations in the United States are found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of Halo to declare or pay dividends and could affect other distributions, including the Resulting Issuer's ability to transfer funds into Canada. Furthermore, while the Resulting Issuer has no current intentions to declare or pay dividends in the foreseeable future, if a determination was made that the Resulting Issuer's proceeds from operations (or any future operations or investments in the United States) could reasonably be shown to constitute proceeds of crime, the Resulting Issuer may decide, or be required, to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Enforcement of U.S. Federal Laws.

Enforcement of U.S. federal law is a significant risk to cannabis businesses operating in the United States, including the Resulting Issuer. The rescission of the 2013 Cole Memorandum increased the uncertainty and risk

associated with the enforcement of U.S. federal laws regarding the production, manufacture, processing, possession, distribution, sale and use of cannabis. There is no certainty as to how the U.S. DOJ, the U.S. Federal Bureau of Investigation and other government agencies will handle cannabis matters now that the 2013 Cole Memorandum is no longer in effect.

There can be no assurance that the U.S. federal government will not seek to prosecute cases involving cannabis businesses, including those of the Resulting Issuer, notwithstanding compliance with state law. Such proceedings could have a material adverse effect on the Resulting Issuer's business, revenues, operating results and financial condition, as well as the Resulting Issuer's reputation and ability to raise capital.

Further, violations of any U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the U.S. federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Resulting Issuer, including its reputation and ability to conduct business, its ability to list its securities on stock exchanges, its financial position, its operating results, its profitability or liquidity or the value of its securities. In addition, the time of management and advisors of the Resulting Issuer and resources that would be needed for the investigation of any such matters or their final resolution could be substantial.

U.S. Enforcement Proceedings and the Leahy Amendment.

Although the 2013 Cole Memorandum and 2014 Cole Memorandum have been rescinded, one legislative safeguard for the medical cannabis industry remains in place. U.S. Congress has used a rider provision in the Leahy Amendment to prevent the U.S. federal government from using congressionally appropriated funds to enforce federal cannabis laws against regulated cannabis actors operating in compliance with state and local law. The Leahy Amendment was included in the fiscal year 2018 budget passed on March 23, 2018 meaning that, the Leahy Amendment is in effect until September 30, 2018 when the fiscal year ends. It is uncertain whether the U.S. Congress will extend this prohibition beyond such expiration date. As the Leahy Amendment protects only state medical cannabis actors, there can be no assurance that U.S. federal prosecutors will not use U.S. DOJ funds to interfere with state adult-use cannabis actors.

Ability to Access Public and Private Capital.

While Halo is not able to obtain bank financing in the United States or financing from other federally regulated entities, Halo's executive team and board of directors have relationships with potential sources of private capital (such as funds and high net worth individuals).

Commercial banks, private equity firms and venture capital firms have approached the cannabis industry cautiously to date. While there has been an increase in the amount of private financing available over the last several years, there is neither a broad nor deep pool of institutional capital that is available to participants in the United States cannabis industry. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on acceptable terms. The Resulting Issuer's inability to raise financing to fund its ongoing operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability and operations.

Risks Related to the United States Statutory and Regulatory Framework.

The Resulting Issuer's U.S. cannabis operations are illegal under U.S. federal law and the enforcement of relevant laws is a significant risk.

Under the Federal CSA, cannabis is classified as a Schedule I drug. Even in those states in which the use of cannabis has been legalized under state law, its production, manufacture, processing, possession, distribution, sale and use remain a federal crime. Since U.S. federal law criminalizing cannabis pre-empts state laws that legalize it, strict enforcement of U.S. federal law regarding cannabis would result in the Resulting Issuer's inability to proceed with the Resulting Issuer's business plan. There can be no assurance that the U.S. federal government will not seek to prosecute cases involving cannabis-related businesses, including the business of the Resulting Issuer. Companies and individuals involved with or in our business, including investors, may be exposed to criminal liability, and any

real or personal property used in connection with its business could be subject to seizure and forfeiture to the U.S. federal government or its agencies.

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

For further information, please see the discussion of the United States regulatory framework under the section heading *"Schedule "C" – Information Concerning Halo - United States Federal Overview".*

The Resulting Issuer's business is highly regulated and evolving rapidly.

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

The Resulting Issuer will incur ongoing costs and obligations related to regulatory compliance.

Failure to comply with applicable regulations may result in additional costs for corrective measures, penalties or restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations or increased compliance costs, or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

The Resulting Issuer's ability to expand its business in California, Nevada, Canada and other jurisdictions is uncertain.

The Resulting Issuer intends to continue expanding its operations in California, Nevada, Canada and other jurisdictions. The ability of the Resulting Issuer to do so, from both an operational and regulatory perspective, is subject to significant uncertainty and risks. The Resulting Issuer will need to obtain and maintain licenses, permits and other authorizations to operate a business involving cannabis in these jurisdictions, and the Resulting Issuer cannot guarantee it will be able to successfully do so, or the amount of time and resources that will be required to do so. In addition to regulatory uncertainty, the Resulting Issuer expects the cannabis market in California, Nevada and Canada to be highly competitive. The Resulting Issuer cannot provide any assurances that it will be able to successfully expand its business to these or other jurisdictions.

For further information, please see the discussion of the Nevada and California regulatory frameworks under the section heading *"Schedule "C" – Information Concerning Halo - State-Level Regulatory Overview".*

The Resulting Issuer does not hold a license in Nevada but has entered into a Management Agreement with a cannabis business licensed in Nevada.

The Resulting Issuer intends to operate in Nevada through a contractual arrangement with an arm's length company that is licensed to manufacture cannabis products. The Resulting Issuer has entered into a Management Agreement with Just Quality, which holds a cannabis product manufacturing license issued by Nevada's Department of Taxation. The Resulting Issuer itself does not hold, nor does it have any present intentions to hold, any Nevada cannabis licenses. The Resulting Issuer believes that its contractual operating structure with Just Quality is compliant with Nevada state law and the Department of Taxation's regulations; regardless, there is a risk that regulators will disagree with this assessment

For further information, please see the discussion of the Nevada regulatory framework under the section

heading *"Schedule "C" – Information Concerning Halo - State-Level Regulatory Overview".*

Halo was recently under investigation by the OLCC for alleged regulatory violations.

Halo received written notice from the OLCC on November 28, 2017 regarding alleged regulatory violations that carry significant penalties, including the potential loss of Halo's OLCC licenses. As part of the OLCC's investigation into potential non-compliance by Halo, OLCC representatives inspected Halo's extraction facility in Medford, Oregon on a number of occasions. As a result of its investigation, on March 13, 2018, the OLCC issued to Halo a Notice of Proposed Civil Liability detailing four instances of regulatory violations, including (i) improper placement of security cameras, (ii) inadequate camera coverage, (iii) failure to obtain required pre-approval prior to making changes to its licensed premises, and (iv) failure to properly report a transaction in METRC. The OLCC imposed a fine of US$6,930 as a consequence of such violations. On March 20, 2018, Halo accepted responsibility to pay the fine and reiterated to the OLCC Halo's commitment to ongoing regulatory compliance. While the investigation is now concluded and Halo has remedied the violations identified by the OLCC, the Resulting Issuer may be subject to additional regulatory investigations in the future. Any future instances or allegations of regulatory non-compliance could lead to more significant fines or sanctions, including potential loss of licenses, particularly considering the previous findings of non-compliance by the OLCC.

For further information, please see the discussion of the Oregon regulatory framework under the section heading *"Schedule "C" – Information Concerning Halo - State-Level Regulatory Overview".*

Laws will continue to change rapidly for the foreseeable future and local laws and ordinances could restrict Halo's business operations.

Local, state and federal laws and enforcement policies concerning cannabis-related conduct are changing rapidly and will continue to do so for the foreseeable future. There can be no assurance that existing state laws that legalize and regulate the production, sale and use of cannabis will not be repealed, amended or overturned. In addition, local governments have the ability to limit, restrict and ban cannabis-related businesses from operating within their jurisdictions. Land use, zoning, local ordinances and similar laws could be adopted or changed in a manner that makes it extremely difficult or impossible to transact business in certain jurisdictions. These potential changes in state and local laws are unpredictable and could have a material adverse effect on the Resulting Issuer's business.

The Resulting Issuer may be subject to heightened scrutiny by Canadian regulatory authorities.

For the reasons set forth herein, Halo's existing investments and operations in the United States, and any future investments and operations, may become the subject of heightened scrutiny by regulators, stock exchanges, third party service providers, financial institutions, depositories and other authorities in Canada and the United States. As a result, the Resulting Issuer may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Resulting Issuer's ability to operate in the United States, Canada and other jurisdictions.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of an MOU with Aequitas NEO Exchange Inc., the Canadian Stock Exchange, the Toronto Stock Exchange and the TSX Venture Exchange. The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the United States. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the stock exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented at a time when the Resulting Issuer Common Shares are listed on a Canadian stock exchange, it would have a material adverse effect on the ability of holders of the Resulting Issuer Common Shares to make and settle trades. In particular, the Resulting Issuer Common Shares would become highly illiquid until an alternative was implemented, and investors would have no ability to effect a trade of the Resulting Issuer Common Shares through the facilities of the applicable stock exchange.

Border crossing for non-U.S. residents may create additional challenges.

Although cannabis use and sale is legal and regulated in numerous U.S. states, individuals who are not US residents and employed or involved with licensed cannabis companies could be denied entry or face lifetime bans from the U.S. for their involvement with such companies. There has been increasing anecdotal evidence of non-U.S. residents who are involved in the cannabis industry being denied entry at the U.S. border or facing lifetime bans from the U.S. after disclosing to U.S. border officials the nature of their work. The Resulting Issuer Board is made up of both U.S. and non-U.S. residents, so there is no guarantee that certain members of the Resulting Issuer Board would not be subject to such denials or bans. Should a director be prevented from entering the U.S., either in one instance or permanently, their ability to serve the Resulting Issuer as a board member could be hindered. This could equally impact any other non-U.S. resident employees employed by the Resulting Issuer.

Additional Financing.

The Resulting Issuer will require equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer's inability to raise financing to fund on-going operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon the Resulting Issuer's business, results of operations, financial condition or prospects.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Common Shares.

Depending on the availability of traditional banking services to the Resulting Issuer, the Resulting Issuer may enter into one or more credit facilities with one or more lenders in order to finance the acquisition of the Resulting Issuer's investments. It is anticipated that any such credit facility will contain a number of common covenants that, among other things, might restrict the ability of the Resulting Issuer to: (i) acquire or dispose of assets or businesses; (ii) incur additional indebtedness; (iii) make capital expenditures; (iv) make cash distributions; (v) create liens on assets; (vi) enter into leases, investments or acquisitions; (vii) engage in mergers or consolidations; or (viii) engage in certain transactions with affiliates, and otherwise restrict activities of the Resulting Issuer (including its ability to acquire additional investments, businesses or assets, certain changes of control and asset sale transactions) without the consent of the lenders. In addition, such a credit facility would likely require the Resulting Issuer to maintain specified financial ratios and comply with tests, including minimum interest coverage ratios, maximum leverage ratios, minimum net worth and minimum equity capitalization requirements. Such restrictions may limit the Resulting Issuer's ability to meet targeted returns and reduce the amount of cash available for investment. Moreover, the Resulting Issuer may incur indebtedness under credit facilities that bear interest at a variable rate. Economic conditions could result in higher interest rates, which could increase debt service requirements on variable rate debt and could reduce the amount of cash available for various Resulting Issuer purposes.

Risks of Leverage.

The Resulting Issuer anticipates utilizing leverage in connection with the Resulting Issuer's investments in the form of secured or unsecured indebtedness. Although the Resulting Issuer will seek to use leverage in a manner it believes is prudent, such leverage will increase the exposure of an investment to adverse economic factors such as downturns in the economy or deterioration in the condition of the investment. If the Resulting Issuer defaults on secured indebtedness, the lender may foreclose and the Resulting Issuer could lose its entire investment in the security of such loan. If the Resulting Issuer defaults on unsecured indebtedness, the terms of the loan may require the Resulting Issuer to repay the principal amount of the loan and any interest accrued thereon in addition to heavy penalties that may be imposed. Because the Resulting Issuer may engage in financings where several investments are cross-collateralized, multiple investments may be subject to the risk of loss. As a result, the Resulting Issuer could lose its interest in performing investments in the event such investments are cross-collateralized with poorly performing or nonperforming investments.

In addition to leveraging the Resulting Issuer investments, the Resulting Issuer may borrow funds in its own name for various purposes, and may withhold or apply from distributions amounts necessary to repay such borrowings. The interest expense and such other costs incurred in connection with such borrowings may not be recovered by income from investments purchased by the Resulting Issuer. If investments fail to cover the cost of such borrowings, the value of the investments held by the Resulting Issuer would decrease faster than if there had been no such borrowings. Additionally, if the investments fail to perform to expectation, the interests of investors in the Resulting Issuer could be subordinated to such leverage, which will compound any such adverse consequences.

Going Concern Risk.

The financial statements of Halo included in this Circular have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Resulting Issuer's primary sources of capital resources are anticipated to be comprised of cash and cash equivalents and the issuance of equity and debt securities. The Resulting Issuer will continuously monitor its capital structure and, based on changes in operations and economic conditions, may adjust the structure by issuing new shares or new debt as necessary. The Resulting Issuer's ability to continue as a going concern in the short-term is expected to be dependent on obtaining additional financing to settle its liabilities. In the long-term, the Resulting Issuer's ability to continue as a going concern is expected to be dependent on maintaining profitable operations. While Halo has been successful in securing both equity and debt financing from the private capital markets to date and is pursuing the Business Combination, in part, in order to access the public equity and debt capital markets in Canada, there are no guarantees that the Resulting Issuer will be able to secure any such private or public equity or debt financing in the future on terms acceptable to the Resulting Issuer, if at all, or be able to achieve profitability. This could in turn have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

Future Acquisitions or Dispositions.

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Resulting Issuer's ongoing business; (ii) distraction of management; (iii) the Resulting Issuer may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of the Resulting Issuer's operations; and (vi) loss or reduction of control over certain of the Resulting Issuer's assets.

The presence of one or more material liabilities of an acquired company that are unknown to the Resulting Issuer at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of the Resulting Issuer. A strategic transaction may result in a significant change in the nature of the Resulting Issuer's business, operations and strategy. In addition, the Resulting Issuer may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Resulting Issuer's operations.

Management of Growth.

The Resulting Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Increased Costs as a result of being a Public Company.

As a public issuer, the Resulting Issuer will be subject to the reporting requirements and rules and regulations under the applicable Canadian securities laws and rules of any stock exchange on which the Resulting Issuer's securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. The requirements of existing and potential future rules and regulations will increase the Resulting Issuer's

legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business and financial condition.

In particular, as a result of the Business Combination, the Resulting Issuer will become subject to reporting and other obligations under applicable Canadian securities laws, including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, which requires annual management assessment of the effectiveness of the Resulting Issuer's internal controls over financial reporting. Effective internal controls, including financial reporting and disclosure controls and procedures, are necessary for the Resulting Issuer to provide reliable financial reports, to effectively reduce the risk of fraud and to operate successfully as a public company. These reporting and other obligations will place significant demands on the Resulting Issuer as well as on the Resulting Issuer's management, administrative, operational and accounting resources.

Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer's results of operations or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Resulting Issuer's consolidated financial statements and materially adversely affect the trading price of the Resulting Issuer Common Shares.

The Resulting Issuer may suffer reduced profitability if it loses foreign private issuer status in the United States.

If, as of the last business day of the Resulting Issuer's second fiscal quarter for any year, more than 50% of the Resulting Issuer's outstanding voting securities (as defined in the 1933 Act) are directly or indirectly held of record by residents of the United States, the Resulting Issuer will no longer meet the definition of a "Foreign Private Issuer" under the rules of the SEC. If the Resulting Issuer fails to qualify for Foreign Private Issuer status, it will remain unqualified unless it meets the test as of the last business day of its second fiscal quarter. This change in status could have a significant effect on the Resulting Issuer as it would significantly complicate the raising of capital through the offer and sales of securities and reporting requirements, resulting in increased audit, legal and administration costs. The ability of the Resulting Issuer to be profitable could be significantly affected.

Conflicts of Interest.

Certain of the directors and officers of the Resulting Issuer are, or may become directors and officers of other companies, and conflicts of interest may arise between their duties as directors and officers of the Resulting Issuer and as directors and officers of such other companies.

Certain Remedies may be Limited.

The Resulting Issuer's governing documents may provide that the liability of the Resulting Issuer Board and its officers is eliminated to the fullest extent permitted under the laws of the Province of Ontario. Thus, the Resulting Issuer and the shareholders of the Resulting Issuer may be prevented from recovering damages for alleged errors or omissions made by the members of the Resulting Issuer Board and its officers. The Resulting Issuer's governing documents may also provide that the Resulting Issuer will, to the fullest extent permitted by law, indemnify members of the Resulting Issuer Board and its officers for certain liabilities incurred by them by virtue of their acts on behalf of the Resulting Issuer.

Difficulty in Enforcing Judgments and Effecting Service of Process on Directors and Officers.

Some or possibly most of the proposed directors and officers of the Resulting Issuer are expected to reside outside of Canada. Some or all of the assets of such persons may be located outside of Canada. Therefore, it may not be possible for Resulting Issuer shareholders to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such persons. Moreover, it may not be possible for Resulting Issuer shareholders to effect service of process within Canada upon such persons.

Past Performance Not Indicative of Future Results.

The prior investment and operational performance of Halo is not indicative of the future operating results of the Resulting Issuer. There can be no assurance that the historical operating results achieved by Halo or its affiliates will be achieved by the Resulting Issuer, and the Resulting Issuer's performance may be materially different.

Financial Projections May Prove Materially Inaccurate or Incorrect

Any Halo or Resulting Issuer financial estimates, projections and other forward-looking information or statements included in this Circular were prepared by Halo without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking information or statements. Such forward-looking information or statements are based on assumptions of future events that may or may not occur, which assumptions may not be disclosed in this Circular. Apogee Shareholders should inquire of the Resulting Issuer and become familiar with the assumptions underlying any estimates, projections or other forward-looking information or statements. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events. There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operational expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, Apogee Shareholders should not rely on any projections to indicate the actual results the Resulting Issuer might achieve.

Market Price Volatility Risks.

The market price of the Resulting Issuer Common Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Resulting Issuer, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Resulting Issuer, general economic conditions, legislative changes, and other events and factors outside of the Resulting Issuer's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Resulting Issuer Common Shares.

Sales by Existing Shareholders.

Sales of a substantial number of Resulting Issuer Common Shares in the public market could occur at any time by existing holders of Resulting Issuer Common Shares. These sales, or the market perception that the holders of a large number of Resulting Issuer Common Shares intend to sell Resulting Issuer Common Shares, could reduce the market price of the Resulting Issuer Common Shares. If this occurs and continues, it could impair the Resulting Issuer's ability to raise additional capital through the sale of securities.

Dividends.

The Resulting Issuer has no earnings or dividend record, and does not anticipate paying any dividends on the Resulting Issuer Common Shares in the foreseeable future. Dividends paid by the Resulting Issuer would be subject to tax and, potentially, withholdings.

Limited Market for Securities.

It is proposed that the Resulting Issuer Common Shares will be listed on the NEO Exchange; however, there can be no assurance that such listing will be obtained and even if obtained, that an active and liquid market for the Resulting Issuer Common Shares will develop or be maintained and a Resulting Issuer securityholder may find it difficult to resell any securities of the Resulting Issuer.

Global Financial Conditions.

Following the onset of the credit crisis in 2008, global financial conditions were characterized by extreme volatility and several major financial institutions either went into bankruptcy or were rescued by governmental authorities. While global financial conditions subsequently stabilized, there remains considerable risk in the system given the extraordinary measures adopted by government authorities to achieve that stability. Global financial conditions could suddenly and rapidly destabilize in response to future economic shocks, as government authorities may have limited resources to respond to future crises.

Future economic shocks may be precipitated by a number of causes, including a rise in the price of oil, geopolitical instability and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Resulting Issuer's ability to obtain equity or debt financing in the future on terms favourable to the Resulting Issuer. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Further, in such an event, the Resulting Issuer's operations and financial condition could be adversely impacted.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the cannabis industry, supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Resulting Issuer's operating environment and its operating costs, profit margins and share price. Any negative events in the global economy could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

MATERIAL CONTRACTS

Except for material contracts entered into in the ordinary course of business, set out below are material contracts in respect of which Halo currently expects the Resulting Issuer or any of its subsidiaries to be a party:

1. Membership Interest Contribution Agreement dated July 12, 2018 among Halo Elemental Concepts, LLC and Compass Point, LLC regarding the acquisition of Industrial Court L9, LLC.
2. Warrant Indenture dated June 29, 2018 among Apogee, Apogee USA and Odyssey.
3. Definitive Agreement, which the parties intend to enter into on, or about, August 10, 2018, among Apogee, Apogee USA and Halo.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Upon completion of the Business Combination, the auditor of the Resulting Issuer is expected to be UHY McGovern and the transfer agent and registrar for the Common Shares is expected to be Odyssey Trust Company at its principal offices in Calgary, Alberta.

Schedule "E"
BUSINESS COMBINATION RESOLUTIONS

"**BE IT RESOLVED THAT:**

1. the business combination involving the acquisition of all of the issued and outstanding shares of ANM, Inc. by Apogee Opportunities Inc. ("**Apogee**") substantially as set forth and described in the Information Circular of Apogee Opportunities Inc. dated August 8, 2018 be and the same is hereby approved and authorized;

2. notwithstanding that this resolution has been duly passed by the shareholders of Apogee, the board of directors of Apogee may amend or decide not to proceed with the Business Combination or revoke this resolution at any time prior to completion of the Business Combination without further approval of the shareholders of Apogee; and

3. any one or more director or officer of Apogee is hereby authorized, for and on behalf and in the name of Apogee, to execute and deliver, whether under corporate seal of Apogee or otherwise, all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing."

Schedule "F"
EQUITY INCENTIVE PLAN RESOLUTION

"BE IT RESOLVED THAT:

1. subject to the successful completion of the Business Combination as defined in the management information circular of Apogee Opportunities Inc. ("**Apogee**") dated August 8, 2018 (the "**Circular**"), all existing stock option plans of Apogee, including the current option plan of Apogee, are hereby terminated and the new equity incentive plan of Apogee described under the heading *"Particulars of Matters to be Acted Upon at the Meeting – The Equity Incentive Plan Resolution"* in the Circular (the "**New Equity Incentive Plan**"), is hereby authorized and approved as the equity incentive plan of Apogee and all unallocated options, rights and other entitlements issuable thereunder be and are hereby approved and authorized; and

2. any one or more director or officer of Apogee is hereby authorized, for and on behalf and in the name of Apogee, to execute and deliver, whether under corporate seal of Apogee or otherwise, all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing."

Schedule "G"
NEW EQUITY INCENTIVE PLAN

[Please see attached]

HALO LABS INC.

OMNIBUS INCENTIVE PLAN

Section 1. Purpose.

The purpose of the Halo Labs Inc. Omnibus Incentive Plan is to attract, retain and reward those employees, directors and other individuals who are expected to contribute significantly to the success of the Corporation and its Affiliates, to incentivize such individuals to perform at the highest level, to strengthen the mutuality of interests between such individuals and the Corporation's shareholders and, in general, to further the best interests of the Corporation and its shareholders. The Plan is intended to comply with Section 422 of the Code (as defined below), with respect to the U.S. employees participating in the Plan, if and when applicable.

Section 2. Definition.

As used in the Plan, the following terms shall have the meanings set forth below:

(a) **"Affiliate"** means: (i) any entity that, directly or indirectly, controls (as well as is controlled by or under common or joint control with) the Corporation; or (ii) any entity in which the Corporation has a significant equity interest, in either case as determined by the Committee; provided that, unless otherwise determined by the Committee, the Shares subject to any Options or SAR that are granted to a service provider of an Affiliate constitutes "service recipient stock" for purposes of Section 409A of the Code or otherwise does not subject the Award to the excise tax under Section 409A of the Code, provided that in respect of any Option granted to a Canadian Grantee, an Affiliate shall only include a corporation that deals at non-arm's length, within the meaning of the ITA, with the Corporation, and further provided that, in respect of any Deferred Stock Unit granted to a Canadian Grantee, an Affiliate shall only include a corporation that is related to the Corporation, within the meaning of the ITA.

(b) **"Award"** means any Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Deferred Stock Unit, or Other Stock-Based Award granted under the Plan, which may be denominated or settled in Shares, cash or in such other forms as provided for herein.

(c) **"Award Agreement"** means the agreement (whether in written or electronic form) or other instrument or document evidencing any Award granted under the Plan, which may, but need not, be executed or acknowledged by a Participant.

(d) **"Beneficiary"** means a person or persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. If no such person is named by a Participant, such individual's Beneficiary shall be the individual's estate.

(e) **"Blackout Period"** means a period when the Participant is prohibited from trading in the Corporation's securities pursuant to securities regulatory requirements or the Corporation's insider trading policy or other applicable policy or requirement of the Corporation.

(f) **"Board"** means the board of directors of the Corporation.

(g) **"Canadian Award"** means an Award pursuant to which, as applicable: (i) the exercise price is stated and payable in Canadian dollars or the basis upon which it is to be settled (whether in cash or in Shares) is stated in Canadian dollars; (ii) in the case of freestanding SARs (as defined below), the base price is stated in Canadian dollars and any cash amount payable in settlement thereof shall be paid in Canadian dollars; (iii) in the case of Restricted Share Units, any cash amount payable in settlement thereof shall be paid in Canadian dollars; or (iv) in the case of Other Stock-Based Awards the price or value of such Shares is stated in Canadian dollars.

(h) **"Canadian Grantee"** means a Participant who is a resident of Canada for the purposes of the ITA, or who is granted an Award under the Plan in respect of services performed in Canada for the Corporation or any of its Affiliates.

(i) **"Canadian Participant"** means a Canadian recipient of an Award granted under the Plan.

(j) **"Cashless Exercise"** shall have the meaning set out in Section 6(e) hereof.

(k) **"Change in Control"** means the occurrence of:

(i) any individual, entity or group of individuals or entities acting jointly or in concert (other than the Corporation, its Affiliates or an employee benefit plan or trust maintained by the Corporation or its Affiliates, or any company owned, directly or indirectly, by the shareholders of the Corporation in substantially the same proportions as their ownership of Shares of the Corporation) acquiring beneficial ownership, directly or indirectly, of more than 50% of the combined voting power of the Corporation's then outstanding securities (excluding any "person" who becomes such a beneficial owner in connection with a transaction described in paragraph (ii) below);

(ii) the consummation of a merger or consolidation of the Corporation or any direct or indirect Subsidiary of the Corporation with any other corporation, other than a merger or consolidation which would result in the voting securities of the Corporation outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity or any parent thereof) more than 30% of the combined voting power or the total fair market value of the securities of the Corporation or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation; provided, however, that a merger or consolidation effected to implement a recapitalization of the Corporation (or similar transaction) in which no person (other than those covered by the exceptions in paragraph (i) of this definition) acquires more than 50% of the combined voting power of the Corporation's then outstanding securities shall not constitute a Change in Control of the Corporation; or

(iii) a complete liquidation or dissolution of the Corporation or the consummation of any sale, lease, exchange or other transfer (in one transaction or a series of transactions) of all or substantially all of the assets of the Corporation; other than such liquidation, sale or disposition to a person or persons who beneficially own, directly or indirectly, more than 30% of the combined voting power of the outstanding voting securities of the Corporation at the time of the sale.

(iv) Notwithstanding the foregoing, with respect to any Award that is characterized as "nonqualified deferred compensation" within the meaning of Section 409A of the Code, an event shall not be considered to be a Change in Control under the Plan for purposes of payment of such Award unless such event is also a "change in ownership," a "change in effective control" or a "change in the ownership of a substantial portion of the assets" of the Corporation within the meaning of Section 409A of the Code.

(l) **"Code"** means the U.S. Internal Revenue Code of 1986, as amended from time to time. Any reference to any section of the Code shall also be a reference to any successor provision and any treasury regulation promulgated thereunder.

(m) **"Committee"** means the Corporation's Compensation and Governance Committee appointed by the Board or such other committee as may be designated by the Board to administer the Plan. If the Board does not designate the Committee, references herein to the "Committee" shall refer to the Board.

(n) **"Consultant"** means a consultant as defined in section 2.22 of *National Instrument 45-106 Prospectus Exemptions* engaged by the Corporation or its Affiliates and shall only include those persons who may participate in an "Employee Benefit Plan" as set forth in Rule 405 of the U.S. Securities Act.

(o) **"Corporation"** means Halo Labs Inc.

(p) **"Deferred Stock Unit"** means a contractual right to receive Shares or other Awards or a combination thereof at the end of a specified deferral period, granted under Section 9.

(q) **"Dividend Equivalent"** means a right, granted to a Participant under the Plan, to receive cash, shares, other Awards or other property equal in value to dividends paid with respect to Shares.

(r) **"Effective Date"** means [●].

(s) **"Employee**" means an employee as defined in section 2.22 of *National Instrument 45-106 Prospectus Exemptions* engaged by the Corporation or its Affiliates and shall only include those persons who may participate in an "Employee Benefit Plan" as set forth in Rule 405 of the U.S. Securities Act.

(t) **"Fair Market Value"** means, for purposes of the Plan, unless otherwise required by any applicable provision of the Code, any regulations issued thereunder or other applicable law or by any applicable accounting standard for the Corporation's desired accounting for Awards or by the rules of the applicable Stock Exchange, a price that is determined by the Committee, provided that such price cannot be less than:

(i) For Canadian Awards, as long as Shares are listed on the NEO, the greater of the volume weighted average trading price of the Shares on the NEO for the five trading days immediately prior to the grant date or the closing price of the Shares on the NEO on the trading day immediately prior to the grant date.

(ii) For U.S. Awards, if the Shares are listed on a U.S. Exchange, the greater of the volume weighted average trading price of the Shares on the U.S. Exchange for the five trading days immediately prior to the grant date or the closing price of the Shares on the U.S. Exchange on the trading day immediately prior to the grant date.

(iii) Unless prohibited by applicable law or rules of a Stock Exchange, Canadian Awards or U.S. Awards may be made to a Participant without regard to such Participant's domicile or residence for tax purposes. Thus, for example, U.S. taxpayers that are Participants may receive Canadian Awards. The Corporation may take such actions with respect to its filings, records and reporting, as it deems appropriate to reflect the conversion of Awards from Canadian dollars to U.S. dollars and vice versa.

(iv) If the Shares are not traded, listed or otherwise reported or quoted, the Committee shall determine in good faith the Fair Market Value in whatever manner it considers appropriate taking into account the requirements of the ITA, Section 409A of the Code and any other applicable law.

(v) For purposes of the grant of any Award, the applicable date shall be the date on which the Award is granted. For purposes of the exercise of any Award, the applicable date shall be the date a notice of exercise is received by the Committee or its designee, as applicable, or, if not a day on which the applicable market is open, the next day that it is open. In the event that the Committee determines that the date of grant of an Award shall be a future date because the Corporation is in a Blackout Period, the applicable date shall be deemed to occur on the seventh day following the termination of the Blackout Period and the Fair Market Value shall be the closing price of the Shares on the NEO on the trading day immediately prior to the grant date. In the event an additional Blackout Period commences such that six consecutive trading days (excluding weekends and statutory holidays) do not elapse following the expiry of the initial Blackout Period, the applicable date and market price shall be determined by reference to the seventh consecutive trading day following the expiry of the subsequent Blackout Period.

(u) **"Incentive Stock Option"** means an option representing the right to purchase Shares from the Corporation, granted under and in accordance with the terms of Section 6, that is intended to be and is designated as an "Incentive Stock Option" within the meaning of Section 422 of the Code.

(v) **"ITA"** means the *Income Tax Act* (Canada) and any regulations thereunder as amended from time to time.

(w) **"NEO"** means the Aequitas NEO Exchange Inc. and at any time the Shares are not listed and posted for trading on the NEO, shall be deemed to mean such other stock exchange or trading platform in Canada upon which the Shares trade and which has been designated by the Committee.

(x) **"Non-Employee Director"** means an individual who is a member of the Board but who is not otherwise an Employee or a Consultant of the Corporation or of any Affiliate at the date an Award is granted.

(y) **"Non-Qualified Stock Option"** means an option representing the right to purchase Shares from the Corporation, granted under and in accordance with the terms of Section 6, that is not an Incentive Stock Option.

(z) **"Option"** means an Incentive Stock Option or a Non-Qualified Stock Option.

(aa) **"Other Stock-Based Award"** means an Award granted pursuant to Section 10 of the Plan.

(bb) **"Participant"** means the recipient of an Award granted under the Plan**.**

(cc) **"Plan"** means this Halo Labs Inc. Omnibus Incentive Plan, as the same may be amended or supplemented from time to time.

(dd) **"Prior Plan"** means the Corporation's stock option plan as it existed prior to the Effective Date.

(ee) **"Restricted Stock"** means any Share granted under Section 8.

(ff) **"Restricted Stock Unit"** means a contractual right granted under Section 8 that is denominated in Shares. Each Restricted Stock Unit represents a right to receive one Share or the value of one Share upon the terms and conditions set forth in the Plan and the applicable Award Agreement.

(gg) **"SAR"** or **"Stock Appreciation Right"** means any right granted to a Participant pursuant to Section 7 to receive, upon exercise by the Participant, the excess of (i) the Fair Market Value of one Share on the date of exercise over (ii) the grant price of the right on the date of grant, or if granted in connection with an outstanding Option on the date of grant of the related Option, as specified by the Committee in its sole discretion, which, except in the case of Substitute Awards, shall not be less than the Fair Market Value of one Share on such date of grant of the right or the related Option, as the case may be.

(hh) **"Service"** means the active performance of services for the Corporation or an Affiliate by a person who is an employee or director of the Corporation or an Affiliate. Notwithstanding the foregoing, with respect to any Award that is characterized as "nonqualified deferred compensation" within the meaning of Section 409A of the Code, an event shall not be considered to be a termination of "Service" under the Plan for purposes of payment of such Award unless such event is also a "separation from service" within the meaning of Section 409A of the Code.

(ii) **"Shares"** means the common shares in the capital of the Corporation.

(jj) **"Stock Exchange"** means the Aequitas NEO Exchange Inc. and the U.S. Exchange (as applicable).

(kk) **"Subsidiary"** means any corporation of which shares representing at least 50% of the ordinary voting power is owned, directly or indirectly, by the Corporation.

(ll) **"Substitute Awards"** means Awards granted in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by the Corporation or with which the Corporation combines.

(mm) **"Transfer"** means: (i) when used as a noun, any direct or indirect transfer, sale, assignment, pledge, hypothecation, encumbrance or other disposition (including the issuance of equity in any entity), whether for value or no value and whether voluntary or involuntary (including by operation of law), and (ii) when used as a verb, to directly or indirectly transfer, sell, assign, pledge, encumber, charge, hypothecate or otherwise dispose of (including the issuance of equity in any entity) whether for value or for no value and whether voluntarily or involuntarily (including by operation of law). "Transferred" and "Transferable" shall have a correlative meaning.

(nn) **"U.S. Award"** means an Award pursuant to which, as applicable: (i) in the case of Options (including tandem SARs (as defined below)), the exercise price is stated and payable in United States dollars (and in the case of tandem SARs, any cash amount payable in settlement thereof shall be paid in United States dollars), (ii) in the case of freestanding SARs (as defined below), the base price is stated in United States dollars and any cash amount payable in settlement thereof shall be paid in United States dollars; (iii) in the case of Restricted Share Units or Deferred Stock Units, any cash amount payable in settlement thereof shall be paid in United States dollars; or (iv) in the case of Other Stock-Based Awards the price or value of such Shares is stated in United States dollars.

(oo) **"U.S. Exchange"** means such national securities exchange or trading system on which the Corporation's shares are listed in the United States.

(pp) **"U.S. Participant"** means an American recipient of an Award granted under the Plan.

(qq) **"U.S. Securities Act"** means the United States Securities Act of 1933, as amended.

Section 3. Eligibility.

(a) Any employee, officer, director, Consultant or, subject to applicable securities laws, other advisor of, or any other individual who provides services to, the Corporation or any Affiliate, shall be eligible to be selected to receive an Award under the Plan. All Awards shall be granted by an Award Agreement. Notwithstanding the foregoing, only eligible employees of the Corporation, its Subsidiaries and its parent (as determined in accordance with Section 422(b) of the Code in the case of US employees) are eligible to be granted Incentive Stock Options under the Plan. Eligibility for the grant of Awards and actual participation in the Plan shall be determined by the Committee in its sole discretion.

(b) An individual who has agreed to accept employment by the Corporation or an Affiliate shall be deemed to be eligible for Awards hereunder as of the date of such acceptance; provided that vesting and exercise of Awards granted to such individual are conditioned upon such individual actually becoming an employee of the Corporation or an Affiliate.

(c) Holders of options and other types of incentive awards granted by a company acquired by the Corporation or with which the Corporation combines are eligible for grant of Substitute Awards hereunder.

Section 4. Administration.

(a) The Plan shall be administered by the Committee. Subject to Section 14, the Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan and perform all acts, including the delegation of its responsibilities (to the extent permitted by applicable law and applicable Stock Exchange rules), as it shall, from time to time, deem advisable; to construe and interpret the terms and provisions of the Plan and any Award issued under the Plan (and any agreements relating thereto); and to otherwise supervise the administration of the Plan. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any agreement relating thereto in the manner and to the extent it shall deem necessary to effectuate the purpose and intent of the Plan. The

Committee may adopt special guidelines and provisions for persons who are residing in or employed in, or subject to, the taxes of, any domestic or foreign jurisdictions to comply with applicable tax and securities laws of such domestic or foreign jurisdictions.

(b) Subject to the terms of the Plan and applicable law and the rules of the Stock Exchange that the Shares are listed at the relevant time and in addition to those authorities provided in Section 4(a), the Committee (or its delegate) shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards (including Substitute Awards) to be granted to each Participant under the Plan; (iii) determine the number of Shares to be covered by (or with respect to which payments, rights, or other matters are to be calculated in connection with) Awards, including whether an Award shall be a Canadian Award or a U.S. Award; (iv) authorize and approve the applicable form and determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder (including, but not limited to, the exercise or purchase price (if any), any restriction or limitation, any vesting schedule or acceleration thereof, or any forfeiture restrictions or waiver thereof, regarding any Award and the Shares relating thereto, based on such factors, if any, as the Committee shall determine, in its sole discretion); (v) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, or other Awards, or canceled, forfeited or suspended, and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (vi) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Committee, taking into consideration the requirements of Section 409A of the Code; (vii) determine whether to require a Participant, as a condition of the granting of any Award, to not sell or otherwise dispose of shares acquired pursuant to the exercise of an Award for a period of time as determined by the Committee, in its sole discretion, following the date of the acquisition of such Award; (viii) to determine whether an Option is an Incentive Stock Option or Non-Qualified Option; (ix) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (x) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (xi) to permit accelerated vesting or lapse of restrictions of any Award at any time; and (xii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(c) All decisions of the Committee shall be final, conclusive and binding upon all parties, including the Corporation, the shareholders and the Participants.

(d) Notwithstanding the foregoing, the Committee shall not have any discretion under this Section 4 or any other provision of the Plan that would modify the terms or conditions of any (i) any other Award that is intended to be exempt from the definition of "salary deferral arrangement" in the ITA if the exercise of such discretion would cause the Award to not be or cease to be exempt; or (ii) any Option granted to a Canadian Grantee if the exercise of such discretion would cause the Option to not be or cease to be governed by section 7 of the ITA. The Committee will also exercise its discretion in good faith in accordance with the Corporation's intention that the terms of Awards and the modifications or waivers permitted hereby are in compliance with applicable law and the rule of the Stock Exchange.

(e) No member of the Committee or the Board generally shall be liable for any action or determination made in good faith pursuant to the Plan or any instrument of grant evidencing any Award granted under the Plan. To the fullest extent permitted by law, the Corporation shall indemnify and save harmless, and shall advance and reimburse the expenses of, each person made, or threatened to be made, a party to any action or proceeding in respect of the Plan by reason of the fact that such person is or was a member of the Committee or is or was a member of the Board in respect of any claim, loss, damage or expense (including legal fees) arising therefrom.

Section 5. Shares Available for Awards; Per Person Limitations.

(a) Subject to adjustment as provided below, the maximum number of Shares available for issuance under the Plan shall not exceed 10% of the issued and outstanding Shares from time-to-time when taken together

with all other Security Based Compensation Arrangements of the Corporation; provided that all Shares reserved and available under the Plan shall constitute the maximum number of Shares that can be issued for Incentive Stock Options. Every three years after the Effective Date of the Plan, all unallocated Awards under the Plan shall be submitted for approval to the Board and the shareholders of the Corporation. With respect to Stock Appreciation Rights settled in Shares, upon settlement, only the number of Shares delivered to a Participant (based on the difference between the Fair Market Value of the Shares subject to such Stock Appreciation Right on the date such Stock Appreciation Right is exercised and the exercise price of each Stock Appreciation Right on the date such Stock Appreciation Right was awarded) shall count against the aggregate and individual share limitations set forth under this Section 5. If any Option, Stock Appreciation Right or Other Stock-Based Awards granted under the Plan expires, terminates or is canceled for any reason without having been exercised in full, the number of Shares underlying any unexercised Award shall again be available for the purpose of Awards under the Plan. If any shares of Restricted Stock or Other Stock-Based Awards denominated in Shares awarded under the Plan to a Participant are forfeited for any reason, the number of forfeited shares of Restricted Stock or Other Stock-Based Awards denominated in Shares shall again be available for purposes of Awards under the Plan. Any Award under the Plan settled in cash shall not be counted against the foregoing maximum share limitations. On exercise of any Option, Stock Appreciation Right or Other Stock-Based Awards granted under the Plan, the number of Shares underlying such Award shall again be available for the purpose of Awards under the Plan. Any Shares subject to any Award or award granted under a Prior Plan that is outstanding on the date which this Plan was approved by shareholders of the Corporation (or any portion thereof) that has expired or is forfeited, surrendered, cancelled or otherwise terminated prior to, or that is otherwise settled so that there is no, issuance or transfer of such Shares shall not be counted against the foregoing maximum share limitations.

(b) Any Shares delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares or Shares acquired by the Corporation.

(c) Changes

(i) The existence of the Plan and the Awards granted hereunder shall not affect in any way the right or power of the Board or the shareholders of the Corporation to make or authorize (a) any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, (b) any arrangement, merger or consolidation of the Corporation or any Affiliate, (c) any issuance of bonds, debentures, preferred or prior preference stock ahead of or affecting the Shares (d) the dissolution or liquidation of the Corporation or any Affiliate, (e) any sale or transfer of all or part of the assets or business of the Corporation or any Affiliate or (f) any other corporate act or proceeding.

(ii) If there shall occur any such change in the capital structure of the Corporation by reason of any stock split, reverse stock split, stock dividend, extraordinary dividend, subdivision, combination or reclassification of shares that may be issued under the Plan, any recapitalization, any arrangement, any merger, any consolidation, any spin off, any reorganization or any partial or complete liquidation, or any other corporate transaction or event having an effect similar to any of the foregoing (a "**Corporate Event**"), then (i) the aggregate number and/or kind of shares that thereafter may be issued under the Plan, (ii) the number and/or kind of shares or other property (including cash) to be issued upon exercise of an outstanding Award granted under the Plan, and/or (iii) the purchase price thereof, shall be appropriately adjusted. In addition, if there shall occur any change in the capital structure or the business of the Corporation that is not a Corporate Event (an "**Other Extraordinary Event**"), including by reason of any ordinary dividend (whether cash or stock), any conversion, any adjustment, any issuance of any class of securities convertible or exercisable into, or exercisable for, any class of stock, or any sale or transfer of all or substantially all of the Corporation's assets or business, then the Committee, in its sole discretion, may adjust any Award and make such other adjustments to the Plan. Any adjustment pursuant to this Section 5(c) shall be consistent with the applicable Corporate Event or the applicable Other Extraordinary Event, as the case may be, and in such manner as the Committee may, in its sole discretion, deem appropriate and equitable to prevent substantial dilution or enlargement of the

rights granted to, or available for, Participants under the Plan. Any such adjustment determined by the Committee shall be final, binding and conclusive on the Corporation and all Participants and their respective heirs, executors, administrators, successors and permitted assigns. Except as expressly provided in this Section 5(c) or in the applicable Award Agreement, a Participant shall have no rights by reason of any Corporate Event or any Other Extraordinary Event.

(iii) Fractional shares of Shares resulting from any adjustment in Awards pursuant to Section 5(c)(i) or Section 5(c)(ii) shall be aggregated until, and eliminated at, the time of exercise by rounding-down for fractions less than one-half and rounding-up for fractions equal to or greater than one- half. No cash settlements shall be made with respect to fractional shares eliminated by rounding. Notice of any adjustment shall be given by the Committee to each Participant whose Award has been adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all purposes of the Plan.

(d) Shares underlying Awards that can only be settled in cash shall not reduce the number of Shares remaining available for issuance under the Plan.

(e) Notwithstanding any provision of the Plan to the contrary, if authorized but previously unissued Shares are issued under the Plan, such shares shall not be issued for a consideration that is less than as permitted under applicable law and the rules of the Stock Exchange.

(f) The equity value of Options granted to a Non-Employee Director, within a one-year period, pursuant to the Plan shall not exceed $100,000; and (ii) the aggregate equity value of all awards, that are eligible to be settled in Shares granted to a Non-Employee Director, within a one-year period, pursuant to all Security Based Compensation Arrangements (including, for greater certainty, the Plan) shall not exceed $150,000.

(g) In the event that a Participant holds 20% or more of the issued and outstanding Shares or the settlement of an Award in Shares would cause the Participant to hold 20% or more of the issued and outstanding Shares, such Participant shall only be granted Awards that can be settled in cash.

Section 6. Options.

The Committee is hereby authorized to grant Options to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine:

(a) The purchase price per Share under an Option shall be determined by the Committee; provided, however, that, except in the case of Substitute Awards, such purchase price shall not be less than 100% (or 110% in the case of an Incentive Stock Option granted to a person owning stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Corporation, its Subsidiaries or its parent, (determined in accordance with Section 422(b)(6)) of the Code) of the Fair Market Value of a Share on the last trading date prior to the grant of such Option. In the event that the Committee determines and has authorized the Chief Executive Officer of the Corporation to grant such Options on a future date because the Corporation is in a Blackout Period, the date of grant shall be deemed to occur on the second trading day following the termination of the Blackout Period and the Fair Market Value shall be the closing price on the trading day prior to the first business day following the date on which the relevant Blackout Period has expired, unless the relevant grant of Options occurs after the close of trading on the date of grant, in which case the Fair Market Value shall be equal to the closing price on the last trading date prior to the date of grant. In the event an additional Blackout Period commences such that two consecutive trading days (excluding weekends and statutory holidays) do not elapse following the expiry of the initial Blackout Period, the grant date and Fair Market Value shall be determined by reference to the second consecutive trading day following the expiry of the subsequent Blackout Period.

(b) The term of each Option shall be fixed by the Committee but shall not exceed 6 years from the date of grant thereof. Except as otherwise provided by the Committee in an Award Agreement, the term of each grant of

Option shall be 6 years from the date of the grant thereof. Notwithstanding the foregoing, if the term of an Option (other than an Incentive Stock Option) held by any Participant not subject to Section 409A of the Code would otherwise expire during, or within ten business days of the expiration of a Blackout Period applicable to such Participant, then the term of such Option shall be extended to the close of business on the tenth business day following the expiration of the Blackout Period.

(c) The Committee shall determine the time or times at which an Option may be exercised in whole or in part. Except as otherwise provided by the Committee in an Award Agreement, the Options will vest and become exercisable as follows:

(i) as to one-third on the first anniversary of the date of the grant thereof;

(ii) as to one-third on the second anniversary of the date of the grant thereof; and

(iii) as to the final one-third on the third anniversary of the date of the grant thereof.

(d) To the extent vested and exercisable, Options may be exercised in whole or in part at any time during the Option term, by giving written notice of exercise to the Corporation specifying the number of Shares to be purchased. Such notice shall be accompanied by payment in full of the purchase price (the "**Option Price**") as follows: (i) by certified cheque, bank draft or money order payable to the order of the Corporation; (ii) solely to the extent permitted by applicable law, if the Shares are traded on a national securities exchange, and the Committee authorizes, through a procedure whereby the Participant delivers irrevocable instructions to a broker reasonably acceptable to the Committee to deliver promptly to the Corporation an amount equal to the purchase price; or (iii) on such other terms and conditions as may be acceptable to the Committee (including, without limitation, having the Corporation withhold Shares issuable upon exercise of the Option, or by payment in full or in part in the form of Shares owned by the Participant, based on the Fair Market Value of the Shares on the payment date as determined by the Committee). No Shares shall be issued until payment therefor, as provided herein, has been made or provided for.

(e) Notwithstanding Section 6(d), with the approval of the Committee, in its sole and unfettered discretion, a Participant may elect to exercise an Option, in whole or in part, without payment of the aggregate Option Price due on such exercise by electing to receive Shares equal in value to the difference between the Option Price and the Fair Market Value on the date of exercise (any such exercise a "**Cashless Exercise**") computed by using the following formula, with either a partial or full deduction of the number of underlying Shares from the Plan reserve:

$$X = \frac{Y\ (A-B)}{A}$$

Where X = the number of Shares to be issued to the Participant upon such Cashless Exercise;

Y = the number of Shares purchasable under the Option (at the date of such calculation);

A = Fair Market Value of one Share of the Corporation (at the date of such calculation, if greater than the Option Price); and

B = Option Price (as adjusted to the date of such calculation)

In the event that the Shares are not listed on the Stock Exchange as at the date of an exercise of an Option, it shall be a condition precedent to the exercise of any Option that the Participant agree to be bound by the terms of any unanimous shareholders agreement or similar agreements generally applicable to all of the shareholders of the Corporation then in force, and further that the Participant agree to enter into voting trust generally applicable to employee shareholders of the Corporation then in force and provide a power of attorney in support of such voting trust.

(f) The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code, or any successor provision thereto, and any regulations promulgated thereunder. To the extent that the aggregate Fair Market Value (determined as of the time of grant) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by a Participant Employee during any calendar year under the Plan and/or any other stock option plan of the Corporation, any Subsidiary or any parent exceeds $100,000, such Options shall be treated as Non-Qualified Options. Should any provision of the Plan not be necessary in order for the Options to qualify as Incentive Stock Options, or should any additional provisions be required, the Committee may amend the Plan accordingly, without the necessity of obtaining the approval of the shareholders of the Corporation, subject to the rules of the Stock Exchange. To the extent that any such Option does not qualify as an Incentive Stock Option (whether because of its provisions or the time or manner of its exercise or otherwise), such Option or the portion thereof which does not so qualify shall constitute a separate Non- Qualified Stock Option.

Section 7. Stock Appreciation Rights.

(a) The Committee is hereby authorized to grant Stock Appreciation Rights ("**SARs**") to Participants with terms and conditions as the Committee shall determine not inconsistent with the provisions of the Plan.

(b) SARs may be granted hereunder to Participants either alone ("**freestanding**") or in addition to other Awards granted under the Plan ("t**andem**") and may, but need not, relate to a specific Options granted under Section 6.

(c) Any tandem SAR related to an Option may be granted at the same time such Option is granted to the Participant. In the case of any tandem SAR related to any Option, the SAR or applicable portion thereof shall not be exercisable until the related Option or applicable portion thereof is exercisable and shall terminate and no longer be exercisable upon the termination or exercise of the related Option, except that a SAR granted with respect to less than the full number of Shares covered by a related Option shall not be reduced until the exercise or termination of the related Option exceeds the number of Shares not covered by the SAR. Any Option related to any tandem SAR shall no longer be exercisable to the extent the related SAR has been exercised.

(d) A freestanding SAR shall not have a term of greater than 10 years or, unless it is a Substitute Award, an exercise price less than 100% of Fair Market Value of the Share on the last trading date prior to the date of grant. Notwithstanding the foregoing, if the term of a SAR held by any Participant not subject to Section 409A of the Code would otherwise expire during, or within ten business days of the expiration of a Blackout Period applicable to such Participant, then the term of such SAR shall be extended to the close of business on the tenth business day following the expiration of the Blackout Period.

Section 8. Restricted Stock and Restricted Stock Units.

(a) The Committee is hereby authorized to grant Awards of Restricted Stock and Restricted Stock Units to Participants.

(b) Shares of Restricted Stock and Restricted Stock Units shall be subject to such restrictions as the Committee may impose (including, without limitation, any limitation on the right to receive any dividend or dividend equivalent or other right), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate. To the extent required by law, Participants holding Restricted Stock granted hereunder shall have the right to exercise full voting rights with respect to those Restricted Stocks during the any period of restriction. A Participant shall have no voting rights with respect to any Restricted Stock Units granted hereunder.

(c) Any share of Restricted Stock granted under the Plan may be evidenced in such manner as the Committee may deem appropriate including, without limitation, book-entry registration or issuance of a share certificate or certificates. In the event any share certificate is issued in respect of shares of Restricted Stock granted under the Plan, such certificate shall be registered in the name of the Participant and shall bear an

appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock. If share certificates are issued in respect of shares of Restricted Stock, the Committee may require that any share certificates evidencing such Shares be held in custody by the Corporation until the restrictions thereon shall have lapsed, and that, as a condition of any grant of Restricted Stock, the Participant shall have delivered a duly signed stock power or other instruments of assignment (including a power of attorney), each endorsed in blank with a guarantee of signature if deemed necessary or appropriate by the Corporation, which would permit transfer to the Corporation of all or a portion of the shares subject to the Restricted Stock Award in the event that such Award is forfeited in whole or part.

(d) The Committee may in its discretion, when it finds that a waiver would be in the best interests of the Corporation, waive in whole or in part any or all restrictions with respect to Shares of Restricted Stock or Restricted Stock Units.

(e) The Committee, in its discretion, may award Dividend Equivalents with respect to Awards of Restricted Stock Units. The entitlements on such Dividend Equivalents will not be available until the vesting of the Award of Restricted Stock Units.

(f) No Restricted Stock Unit shall vest later than three years after the date of grant.

(g) No Restricted Stock Unit shall have an exercise price less than 100% of Fair Market Value of the Share on the last trading date prior to the date of grant.

Section 9. Deferred Stock Unit.

The Committee is authorized to grant Deferred Stock Units to Participants, subject to the following terms and conditions:

(a) Deferred Stock Units shall be settled upon expiration of the deferral period specified for an Award of Deferred Stock Unit by the Committee (or, if permitted by the Committee, as elected by the Participant). In addition, Deferred Stock Units shall be subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Committee may impose, which restrictions may lapse at the expiration of the deferral period or at earlier specified times (including based on future service requirements), separately or in combination, in installments or otherwise, and under such other circumstances as the Committee may determine at the date of grant or thereafter. Deferred Stock Units may be satisfied by delivery of Shares, other Awards, or a combination thereof, as determined by the Committee at the date of grant or thereafter.

(b) The Committee, in its discretion, may award Dividend Equivalents with respect to Awards of Deferred Stock Units. The entitlements on such Dividend Equivalents will not be available until the expiration of the deferral period for the Award of Deferred Stock Units.

(c) Except as otherwise provided in the Award Agreement, each Participant shall be entitled to redeem his or her Deferred Stock Units during the period commencing on the business day immediately following the Director Termination Date and ending on the 90th day following the Director Termination Date by providing a written notice of redemption, on a prescribed form, to the Corporation. In the event of death of a Participant, the notice of redemption shall be filed by the administrator or liquidator of the estate of the Participant. For greater certainty, the administrator shall have a maximum of 180 days following the Director Termination Date to provide such written notice. In the case of a U.S. Participant and except as otherwise provided in an Award Agreement, however, the redemption will be deemed to be made on the earlier of (i) December 31 of the year following the year of a "separation from service" within the meaning of Section 409A of the Code, or (ii) within 90 days of the U.S. Participant's death, or retirement from, or loss of office or employment with the Corporation, within the meaning of paragraph 6801(d) of the regulations under the ITA, including the Participant's resignation, retirement, removal from the Board, death or otherwise.

(d) No Restricted Stock Unit shall have an exercise price less than 100% of Fair Market Value of the Share on the last trading date prior to the date of grant.

Section 10. Other Stock-Based Awards.

The Committee is authorized, subject to limitations under applicable law, the approval of the Stock Exchange and shareholder approval, if required, to grant to Participants such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares or factors that may influence the value of Shares, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, purchase rights for Shares, Awards with value and payment contingent upon performance of the Corporation or business units thereof, Shares awarded purely as a bonus and not subject to restrictions or conditions, or any other factors designated by the Committee. The Committee shall determine the terms and conditions of such Awards. Shares delivered pursuant to an Award in the nature of a purchase right granted under this Section 10 shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including, without limitation, cash, Shares, other Awards, notes, or other property, as the Committee shall determine. Unless otherwise determined by the Committee in an Award Agreement, the recipient of an Award under this Section 10 shall not be entitled to receive, currently or on a deferred basis, dividends or Dividend Equivalents in respect of the number of Shares covered by the Award.

Section 11. Effect of Termination of Service on Awards.

(a) The Committee may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, the circumstances in which Awards shall be exercised, vested, paid or forfeited in the event a Participant ceases to provide Service to the Corporation or any Affiliate prior to exercise or settlement of such Award.

(b) Except as otherwise provided by the Committee in an Award Agreement:

(i) if a Participant resigns their office or employment, or the employment of a Participant is terminated, or a Participant's contract as a Consultant terminates, only the portion of the Options that have vested and are exercisable at the date of any such resignation or termination may be exercised by the Participant during the period ending 90 days after the date of resignation or termination, as applicable, after which period all Options expire; and

(ii) any Options, whether vested or unvested, will expire immediately upon the Participant being dismissed from their office or employment for cause or on a Participant's contract as a Consultant being terminated before its normal termination date for cause, including where a Participant resigns their office or employment or terminates their contract as a Consultant after being requested to do so by the Corporation as an alternative to being dismissed or terminated by the Corporation for cause.

Section 12. Change in Control Provisions.

Except as otherwise provided by the Committee in an Award Agreement:

(a) the occurrence of a Change in Control will not result in the vesting of Unvested Awards nor the lapse of any period of restriction pertaining to any Restricted Stock or Restricted Stock Unit (such Awards collectively referred to as "**Unvested Awards**"), provided that: (i) such Unvested Awards will continue to vest in accordance with the Plan and the Award Agreement; (ii) any successor entity agrees to assume the obligations of the Corporation in respect of such Unvested Awards.

(b) For the period of 24 months following a Change in Control, where a Participant's employment or term of office or engagement is terminated for any reason, other than for cause, any Unvested Awards as at the date of such termination shall be deemed to have vested, and any period of restriction shall be deemed to have lapsed, as at the date of such termination and shall become payable as at the date of termination.

(c) With respect to Awards for a U.S. Participant to the extent applicable, the Committee shall have the discretion to unilaterally determine that all outstanding Awards shall be cancelled up on a Change in Control, and that the value of such Awards, as determined by the Committee in accordance with the terms of the Plan and the Award Agreements, shall be paid out in cash in an amount based on the Change in Control Price within a reasonable time subsequent to the Change in Control; provided, however, that no such payment shall be made on account of an ISO using a value higher than the Fair Market Value of the underlying Shares on the date of settlement. For purposes of this Section, "**Change in Control Price**" means the highest price per Share paid in any transaction related to a Change in Control of the Corporation.

(d) Notwithstanding the above, no cancellation, acceleration of vesting, lapsing of restrictions, payment of an Award, cash settlement or other payment shall occur with respect to any Award if the Committee reasonably determines in good faith prior to the occurrence of a Change in Control that such Award shall be honoured or assumed, or new rights substituted therefor (with such honoured, assumed or substituted Award hereinafter referred to as an "**Alternative Award**") by any successor to the Corporation or an Affiliate; provided, however, that any such Alternative Award must: (i) be based on stock which is traded on the NEO and/or an established U.S. securities market; (ii) provide such Participant with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Award, including, but not limited to, an identical or better exercise or vesting schedule and identical or better timing and methods of payment; (iii) recognize, for the purposes of vesting provisions, the time that the Award has been held prior to the Change in Control; (iv) have substantially equivalent economic value to such Award (determined prior to the time of the Change in Control); and (v) have terms and conditions which provide that in the event that the Participant's employment with the Corporation, an Affiliate or any successor is involuntarily terminated or constructively terminated at any time within at least twelve months following a Change in Control, any conditions on a Participant's rights under, or any restrictions on transfer or exercisability applicable to, each such Alternative Award shall be waived or shall lapse, as the case may be.

(e) In the event that any accelerated Award vesting or payment received or to be received by a Participant pursuant to the above (the "**Benefit**") would (i) constitute a "parachute payment" within the meaning of and subject to Section 280G of the Code and (ii) but for this Section, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Benefit shall be reduced to the extent necessary to that no portion of the Benefit will be subject to the Excise Tax, as determined in good faith by the Committee; provided, however, that if, in the absence of any such reduction (or after such reduction), the Participant believes that the Benefit or any portion thereof (as reduced, if applicable) would be subject to the Excise Tax, the Benefit shall be reduced (or further reduced) to the extent determined by the Participant in his or her discretion so that the Excise Tax would not apply. To the extent that such Benefit or any portion thereof is subject to Section 409A of the Code, then such Benefit or portion thereof shall be reduced by first reducing or eliminating any payment or Benefit payable in cash and then any payment or Benefit not payable in cash, in each case in reverse order beginning with payments or Benefits which are to be paid the further in time from the date of a Change in Control. If, notwithstanding any such reduction (or in the absence of such reduction), the Internal Revenue Service ("**IRS**") determines that the Participant is liable for Excise Tax as a result of the Benefit, then the Participant shall be obliged to return to the Corporation, within thirty days of such determination by the IRS, a portion of the Benefit sufficient such that none of the Benefit retained by the Participant constitutes a "parachute payment" within the meaning of Section 280G of the Code that is subject to the Excise Tax. In no event shall the Corporation have any obligation to pay any Excise Tax imposed on a Participant or to indemnify a Participant therefor.

(f) Notwithstanding any other provision of this Plan, this Section shall not apply with respect to any Deferred Stock Units held by a Canadian Participant where such Deferred Stock Units are governed under regulation 6801(d) of the ITA or any successor to such provision.

Section 13. General Provisions Applicable to Awards.

(a) Awards may be granted for no cash consideration or for such minimal cash consideration as may be required by applicable law.

(b) Awards may, in the discretion of the Committee, be granted either alone or in addition to or in tandem with any other Award or any award granted under any other plan of the Corporation. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other plan of the Corporation, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(c) Subject to the terms of the Plan, payments or transfers to be made by the Corporation upon the grant, exercise or payment of an Award may be made in the form of cash, Shares, other securities or other Awards, or any combination thereof, as determined by the Committee in its discretion at the time of grant, and may be made in a single payment or transfer, in installments, or on a deferred basis, in each case in accordance with rules and procedures established by the Committee and in compliance with Section 409A of the Code. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest (or no interest) on installment or deferred payments or the grant or crediting of dividend equivalents in respect of installment or deferred payments.

(d) Except as may be permitted by the Committee or as specifically provided in an Award Agreement, (i) no Award or other benefit payable under the Plan shall, except as otherwise specifically provided by law or permitted by the Committee, be Transferable in any manner other than by will or the law of descent, and any attempt to Transfer any such benefit shall be void, and any such benefit shall not in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of any person who shall be entitled to such benefit, nor shall it be subject to attachment or legal process for or against such person, and (ii) each Award, and each right under any Award, shall be exercisable during the Participant's lifetime only by the Participant or, if permissible under applicable law, by the Participant's guardian or legal representative. The provisions of this paragraph shall not apply to any Award which has been fully exercised, earned or paid, as the case may be, and shall not preclude forfeiture of an Award in accordance with the terms thereof.

(e) A Participant may designate a Beneficiary or change a previous Beneficiary designation at such times prescribed by the Committee by using forms and following procedures approved or accepted by the Committee for that purpose. If no Beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the Beneficiary shall be the Participant's estate.

(f) All certificates for Shares and/or Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Ontario Securities Commission, any stock exchange upon which such Shares or other securities are then listed, and any applicable Federal or state securities laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(g) It is a condition of each grant of an Award that if: (a) the Participant fails to comply with any obligation to the Corporation or an Affiliate (A) to maintain the confidentiality of information relating to the Corporation or the Affiliate and/or its business, (B) not engage in employment or business activities that compete with the business of the Corporation or the Affiliate, whether during or after employment with the Corporation of Affiliate, and whether such obligation is set out in an Award Agreement issued under the Plan or other agreement between the Participant and the Corporation or Affiliate, including, without limitation, an employment agreement or otherwise; (C) not solicit employees or other service providers, customers and/or suppliers of the Corporation or the Affiliate, whether during or after employment with the Corporation or Affiliate, and whether such obligation is set out in an Award Agreement issued under the Plan or other agreement between the Participant and the Corporation or Affiliate, including, without limitation, an employment agreement, or otherwise (collectively, a "**Restrictive Covenant**"); (b) the Participant is terminated for cause, or the Board reasonably determines after employment termination that the Participant's employment could have been terminated for cause; (c) the Board reasonably determines that the Participant engaged in conduct that causes material financial or reputational harm to the Corporation or its Affiliates, or engaged in gross negligence, willful misconduct or fraud in respect of the performance of

the Participant's duties for the Corporation or an Affiliate; or (d) the Corporation's financial statements (the "**Original Statements**") are required to be restated (other than as a result of a change in accounting policy by the Corporation or under International Financial Reporting Standards applicable to the Corporation) and such restated financial statements (the "**Restated Statements**" disclose, in the opinion of the Board, acting reasonably, materially worse financial results than those contained in the Original Statements, then the Board may, in its sole discretion, to the full extent permitted by governing law and to the extent it determines that such action is in the best interest of the Corporation, and for a U.S. Participant, in a manner in accordance with Section 409A of the Code to the extent applicable, and in addition to any other rights that the Corporation or an Affiliate may have at law or under any agreement, take any or all of the following actions, as applicable): (i) require the Participant to reimburse the Corporation for any amount paid to the Participant in respect of an Award in cash in excess of the amount that should otherwise have been paid in respect of such Award had the determination of such compensation been based upon the Restated Statements in the event clause (d) above is applicable, or that was paid in the twelve (12) months prior to (x) the date on which the Participant fails to comply with a Restrictive Covenant, (y) the date on which the Participant's employment is terminated for cause, or the Board makes a determination under paragraph (b) or (c) above, less, in any event, the amount of tax withheld pursuant to the ITA or other relevant taxing authority in respect of the amount paid in cash in the year of payment; (ii) reduce the number or value of, or cancel and terminate, any one or more unvested grants of Options, Restricted Stock Units, Deferred Stock Units or SARs on or prior to the applicable maturity or vesting dates, or cancel or terminate any outstanding Awards which have vested in the twelve (12) months prior to (x) the date on which the Participant fails to comply with a Restrictive Covenant, (y) the date on which the Participant's employment is terminated for cause or the Board makes a determination under paragraph (b) or (c) above, or (z) the date on which the Board determines that the Corporation's Original Statements are required to be restated, in the event paragraph (d) above applies (each such date provided for in clause (x), (y) and (z) of this paragraph (ii) being a "**Relevant Equity Recoupment Date**"); and/or (iii) require payment to the Corporation of the value of any Shares of the Corporation acquired by the Participant pursuant to an Award granted in the twelve (12) months prior to a Relevant Equity Recoupment Date (less any amount paid by the Participant) to acquire such Shares and less the amount of tax withheld pursuant to the ITA or other relevant taxing authority in respect of such Shares.

(h) All Awards issued pursuant to the Plan which may be denominated or settled in Shares, and all such Shares issued pursuant to the Plan, will be issued pursuant to the registration requirements of the U.S. Securities Act or an exemption from such registration requirements.

Section 14. Amendments and Termination.

(a) The Board may amend, alter, suspend, discontinue or terminate the Plan and any outstanding Awards granted hereunder, in whole or in part, at any time without notice to or approval by the shareholders of the Corporation, for any purpose whatsoever, provided that all material amendments to the Plan shall require the prior approval of the shareholders of the Corporation and must comply with the rules of the NEO. Examples of the types of amendments that are not material that the Board is entitled to make without shareholder approval include, without limitation, the following:

(i) ensuring continuing compliance with applicable law, the rules of the NEO or other applicable stock exchange rules and regulations or accounting or tax rules and regulations;

(ii) amendments of a "housekeeping" nature, which include amendments to correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award Agreement in the manner and to the extent it shall deem desirable to carry the Plan into effect;

(iii) changing the vesting provision of the Plan or any Award;

(iv) waiving any conditions or rights under any Award;

(v) changing the termination provisions of any Award that does not entail an extension beyond the original expiration date thereof;

(vi) adding or amending a cashless exercise provision;

(vii) adding or amending a financial assistance provision;

(viii) changing the process by which a Participant who wishes to exercise his or her Award can do so, including the required form of payment for the Shares being purchased, the form of written notice of exercise provided to the Corporation and the place where such payments and notices must be delivered; and

(ix) delegating any or all of the powers of the Committee to administer the Plan to officers of the Corporation.

(b) Notwithstanding anything contained herein to the contrary, no amendment to the Plan requiring the approval of the shareholders of the Corporation under any applicable securities laws or requirements shall become effective until such approval is obtained. In addition to the foregoing, the approval of the holders of a majority of the Shares present and voting in person or by proxy at a meeting of shareholders shall be required for:

(i) an increase in the maximum number of Shares that may be made the subject of Awards under the Plan;

(ii) any adjustment (other than in connection with a stock dividend, recapitalization or other transaction where an adjustment is permitted or required under Section 5(c)(i) or Section 5(c)(ii)) or amendment that reduces or would have the effect of reducing the exercise price of an Option or Stock Appreciation Right previously granted under the Plan, whether through amendment, cancellation or replacement grants, or other means (provided that, in such a case, insiders of the Corporation who benefit from such amendment are not eligible to vote their Shares in respect of the approval);

(iii) an increase in the limits on Awards that may be granted to any Participant under Section 5(f) or to Insiders under Section 20;

(iv) an extension of the term of an outstanding Option or Stock Appreciation Right beyond the expiry date thereof;

(v) permitting Options granted under the Plan to be Transferable other than for normal estate settlement purposes; and

(vi) any amendment to the plan amendment provisions set forth in this Section 14 which is not an amendment within the nature of Section 14(a)(i) or Section 14(a)(ii),

unless the change results from application of Section 5(c)(i) or Section 5(c)(ii).

Furthermore, except as otherwise permitted under the Plan, no change to an outstanding Award that will adversely impair the rights of a Participant may be made without the consent of the Participant except to the extent that such change is required to comply with applicable law, stock exchange rules and regulations or accounting or tax rules and regulations.

Section 15. Miscellaneous.

(a) The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payment as to which a Participant has a fixed and vested interest, but which are not yet made

to a Participant by the Corporation, nothing contained herein shall give any such Participant any right that is greater than those of a general unsecured creditor of the Corporation.

(b) No employee, Participant or other person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of employees, Participants, or holders or Beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to each recipient. Any Award granted under the Plan shall be a one-time Award which does not constitute a promise of future grants. The Corporation, in its sole discretion, maintains the right to make available future grants hereunder.

(c) The Corporation shall have the right to deduct from any payment to be made pursuant to the Plan, or to otherwise require, prior to the issuance or delivery of Shares or the payment of any cash hereunder, payment by the Participant of, any federal, provincial, state or local taxes required by law to be withheld. Upon the vesting of Restricted Stock (or other Award that is taxable upon vesting), or upon making an election under Section 83(b) of the Code, a Participant shall pay all required withholding to the Corporation. Any statutorily required withholding obligation with regard to any Participant may be satisfied, subject to the consent of the Committee, by reducing the number of Shares otherwise deliverable or by delivering Shares already owned. Any fraction of a Share required to satisfy such tax obligations shall be disregarded and the amount due shall be paid instead in cash by the Participant.

(d) Nothing contained in the Plan shall prevent the Corporation from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(e) The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of, or to continue to provide services to, the Corporation or any Affiliate. Further, the Corporation or the applicable Affiliate may at any time dismiss a Participant, free from any liability, or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement or in any other agreement binding the parties. The receipt of any Award under the Plan is not intended to confer any rights on the receiving Participant except as set forth in such Award.

(f) If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

(g) Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Corporation and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Corporation pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Corporation.

(h) No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

(i) No Award or other benefit payable under the Plan shall, except as otherwise specifically provided by law or permitted by the Committee, be Transferable in any manner, and any attempt to Transfer any such benefit shall be void, and any such benefit shall not in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of any person who shall be entitled to such benefit, nor shall it be subject to attachment or legal process for or against such person.

(j) Unless otherwise determined by the Committee, as long as the Shares are listed on a national securities exchange including the NEO or system sponsored by a national securities association, the issuance of Shares pursuant to an Award shall be conditioned upon such shares being listed on such exchange or system. The Corporation shall have no obligation to issue such Shares unless and until such Shares are so listed, and the right to exercise any Option or other Award with respect to such Shares shall be suspended until such listing has been effected. If at any time counsel to the Corporation shall be of the opinion that any sale or delivery of Shares pursuant to an Option or other Award is or may in the circumstances be unlawful or result in the imposition of excise taxes on the Corporation under the statutes, rules or regulations of any applicable jurisdiction, the Corporation shall have no obligation to make such sale or delivery, or to make any application or to effect or to maintain any qualification or registration with respect to Shares or Awards, and the right to exercise any Option or other Award shall be suspended until, in the opinion of said counsel, such sale or delivery shall be lawful or will not result in the imposition of excise taxes on the Corporation. A Participant shall be required to supply the Corporation with certificates, representations and information that the Corporation requests and otherwise cooperate with the Corporation in obtaining any listing, registration, qualification, exemption, consent or approval the Corporation deems necessary or appropriate.

(k) No Award granted or paid out under the Plan shall be deemed compensation for purposes of computing benefits under any retirement plan of the Corporation or its Affiliates nor affect any benefit under any other benefit plan now or subsequently in effect under which the availability or amount of benefits is related to the level of compensation. The provisions of Awards need not be the same with respect to each Participant, and such Awards to individual Participants need not be the same in subsequent years.

(l) All Awards granted or paid out under the Plan shall be non-transferrable.

(m) The Plan shall be binding on all successors and permitted assigns of a Participant, including, without limitation, the estate of such Participant and the executor, administrator or trustee of such estate. Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipt thereof shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the Committee, the Board, the Corporation, its Affiliates and their employees, agents and representatives with respect thereto.

Section 16. Effective Date of the Plan.

The Plan shall be effective as of the Effective Date, which is the date of adoption by the Board, subject to the approval of the Plan by the shareholders of the Corporation in accordance with the requirements of the laws of the Province of Ontario.

Section 17. Term of the Plan.

No Award shall be granted under the Plan after ten years from the Effective Date. However, unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award theretofore granted may extend beyond such date, and the authority of the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award, or to waive any conditions or rights under any such Award, and the authority of the Board to amend the Plan, shall extend beyond such date.

Section 18. Section 409A of the Code.

(a) The Plan is intended to comply with the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent. To the extent that any Award is subject to Section 409A of the Code, it shall be paid in a manner that will comply with Section 409A of the Code, including proposed, temporary or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect thereto. Notwithstanding anything herein to the contrary, any provision in the Plan that is inconsistent with Section 409A of the Code shall be deemed to be amended to comply with Section 409A of the Code and to the extent such provision cannot be amended to

comply therewith, such provision shall be null and void. The Corporation shall have no liability to a Participant, or any other party, if an Award that is intended to be exempt from, or compliant with, Section 409A of the Code is not so exempt or compliant or for any action taken by the Committee or the Corporation and, in the event that any amount or benefit under the Plan becomes subject to penalties under Section 409A of the Code, responsibility for payment of such penalties shall rest solely with the affected Participants and not with the Corporation. Notwithstanding any contrary provision in the Plan or Award Agreement, any payment(s) of "nonqualified deferred compensation" (within the meaning of Section 409A of the Code) that are otherwise required to be made under the Plan to a "specified employee" (as defined under Section 409A of the Code) as a result of such employee's separation from service (other than a payment that is not subject to Section 409A of the Code) shall be delayed for the first six (6) months following such separation from service (or, if earlier, the date of death of the specified employee) and shall instead be paid (in a manner set forth in the Award Agreement) upon expiration of such delay period.

(b) Notwithstanding the foregoing, the Corporation does not make any representation to any Participant or Beneficiary as to the tax consequences of any Awards made pursuant to this Plan, and the Corporation shall have no liability or other obligation to indemnify or hold harmless the Participant or any Beneficiary for any tax, additional tax, interest or penalties that the Participant or any Beneficiary may incur as a result of the grant, vesting, exercise or settlement of an Award under this Plan.

Section 19. Governing Law.

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario.

Section 20. NEO Requirements.

The number of Shares issuable to Insiders, at any time, under all Security Based Compensation Arrangements of the Corporation, may not exceed 10% of the Corporation's issued and outstanding Shares; and the number of Shares issued to Insiders within any one-year period, under all Security Based Compensation Arrangements of the Corporation, may not exceed 10% of the Corporation's issued and outstanding Shares. For the purpose of this Section 20, "**Insider**" means any "reporting insiders" as defined in *National Instrument 55-104 – Insider Reporting Requirements*, and "**Security Based Compensation Arrangement**" means any (i) any stock option plans for the benefit of employees, insiders, service providers or any one of such groups; (ii) individual stock options granted to employees, service providers or insiders if not granted pursuant to a plan previously approved by the Corporation's security holders; (iii) treasury based share purchase plans where the Corporation provides financial assistance or where the Corporation matches the whole or a portion of the securities being purchased; (iv) stock appreciation rights involving issuances of securities from treasury; any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the Corporation; and (vi) security purchases from treasury by an employee, insider or service provider which is financially assisted by the Corporation by any means whatsoever.

Schedule "H"

ARTICLES OF AMENDMENT RESOLUTION

"BE IT RESOLVED BY SPECIAL RESOLUTION THAT:

1. the name of the Corporation be changed from "Apogee Opportunities Inc." to "Halo Labs Inc.", or such other name as the board of directors of the Corporation may, in their sole discretion, determine, and as may be approved by the regulatory authorities, and the board of directors of the Corporation are hereby authorized and approved to file articles of amendment to change the name of the Corporation to "Halo Enterprises Inc." or such other name as the board of directors of the Corporation may, in their sole discretion, determine (the "**Name Change**");

2. the board of directors of the Corporation are hereby authorized and approved to file articles of amendment removing the existing preferred shares from the classes of capital of the Corporation (the "**Removal of Existing Preferred Shares**");

3. the board of directors of the Corporation are hereby authorized and approved to file articles of amendment to add an additional class of convertible preferred shares to the capital of the Corporation with terms and conditions substantially in the form attached to the management information circular dated August 8, 2018 sent to shareholders of the Corporation (the "**Shareholders**") in respect of a special meeting of Shareholders (the "**Creation of Resulting Issuer Restricted Shares**");

4. any director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute, or to cause to be executed, whether under the corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such other documents and instruments, and to do or cause to be done all such other acts and things as, in the opinion of such director or officer, may be necessary or desirable in order to carry out the intent of this special resolution, including, without limitation the Name Change, the Removal of Existing Preferred Shares and the Creation of Resulting Issuer Restricted Shares, and the delivery of articles of amendment in the prescribed form to the Director appointed under the OBCA, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination; and

5. the board of directors of the Corporation are hereby authorized to revoke this special resolution before it is acted on without further approval of the Shareholders."

Schedule "I"
RESULTING ISSUER RESTRICTED SHARE PROVISIONS

Convertible Class B Restricted Voting Shares

The convertible Class B restricted voting shares (the "**Class B Restricted Voting Shares**") shall have attached thereto the following rights, privileges, restrictions and conditions:

(1) In this Part:

(a) "**Business Day**" means a day on which securities may be traded on the Aequitas NEO Exchange or any other stock exchange on which the Common Shares are then listed;

(b) "**Change in Control**" means the occurrence of any of the following events at any time while the Class B Restricted Voting Shares remain issued and outstanding:

i. the acquisition, directly or indirectly, of more than 50% of the total number of outstanding Common Securities by a person or group of persons acting jointly or in concert, unless each such person was a shareholder of the Company on the effective date of these articles;

ii. an amalgamation, plan of arrangement, share exchange or other business combination between the Company and any other entity, whether or not the Company is the surviving entity in such transaction, except for a transaction in which the holders of the outstanding Common Securities immediately before such transaction hold as a result of holding Common Securities before such transaction, in the aggregate, securities possessing more than 50% of the total combined voting power of the Company or of the surviving entity (or the parent of the surviving entity) immediately after such transaction (solely for purposes of this paragraph, treating Common Shares and Class B Restricted Voting Shares as if they had the same voting power);

iii. the sale, transfer, exchange or other disposition (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company; or

iv. the approval by the shareholders of a plan or proposal for the liquidation, dissolution or winding-up of the Company;

(c) "**Common Securities**" means the Common Shares and the Class B Restricted Voting Shares, collectively;

(d) "**Conversion Notice**" means a written notice to the Company and the Transfer Agent, in form and substance satisfactory to the Company and the Transfer Agent, executed by a person registered in the records of the Transfer Agent as a holder of Class B Restricted Voting Shares, or by his, her or its attorney duly authorized in writing, and specifying the number of Class B Restricted Voting Shares that the holder thereof desires to have converted into Common Shares and indicating: (i) any event on which such conversion is contingent; and (ii) such holder's name or the names of the nominees in which such holder wishes the certificate(s) for Common Shares to be issued, and accompanied by a written instrument of transfer and such other documentation as is specified by the Company or the Transfer Agent as required to give full effect to the conversion;

(e) "**Conversion Right**" has the meaning ascribed thereto in Section 7.1;

(f) "**Conversion Time**" has the meaning ascribed thereto in Section 7.2;

(g) "**Exclusionary Offer**" means an offer to purchase Class B Restricted Voting Shares which must be made, by reason of applicable securities legislation or by the regulations or policies of a stock exchange on which any shares of the Company are listed, to all or substantially all of the holders of Class B Restricted Voting Shares;

(h) "**Notice**" means a written notice sent from the Company to the holders of Class B Restricted Voting Shares notifying such holders of the right to convert Class B Restricted Voting Shares into Common Shares;

(i) "**Offer**" means an offer to purchase Common Shares which must be made, by reason of applicable securities legislation or by the regulations or policies of a stock exchange on which the Common Shares are listed, to all or substantially all of the holders of Common Shares any of whom are in or whose last address on as shown on the books of the Company is in a province or territory of Canada to which the relevant requirement applies;

(j) "**Offer Date**" means the date on which an Offer is made;

(k) "**Redemption Date**" means the date of completion of the Offer;

(l) "**Redemption Period**" means the period of time commencing on the seventh Business Day after the Offer Date and terminating on the last day on which holders of Common Shares may accept the Offer;

(m) "**Redemption Price**" means the value of the consideration offered under an Offer, which, in the case of non-cash consideration, shall be determined solely by the board of directors and paid in cash; and

(n) "**Transfer Agent**" means the third party transfer agent of the Class B Restricted Voting Shares or, if the Company then serves as its own transfer agent of such shares, the Company.

(2) Voting

(2.1) Subject to the Articles and Section 2.2, the holders of Class B Restricted Voting Shares shall be entitled to (i) receive notice of and to attend all meetings of shareholders of the Company and (ii) except as provided otherwise herein, exercise one vote for each Class B Restricted Voting Share held at all such meetings of shareholders, except meetings at which only holders of another specific class or series of shares are entitled to vote separately as a class or series. Except as provided otherwise herein or as required by law, holders of Class B Restricted Voting Shares and Common Shares shall vote as one class at all meetings of shareholders.

(2.2) A holder of Class B Restricted Voting Shares shall not be entitled to vote any such shares for the purpose of electing directors of the Company.

(3) Dividends

Subject to the rights of holders of any other class of shares ranking senior to the Class B Restricted Voting Shares with respect to priority in the payment of dividends, the holders of Class B Restricted Voting Shares shall be entitled to receive dividends, and the Company shall pay dividends thereon, as and when declared by the board of directors out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine; provided, however, that no dividend on the Class B Restricted Voting Shares shall be declared unless contemporaneously therewith the board of directors shall declare a dividend, payable at the same time as such dividend on the Class B Restricted Voting Shares, on each Common Share. All dividends which the directors may declare on the Class B Restricted Voting Shares and the Common Shares shall be declared and paid in equal amounts per share on all Class B Restricted Voting Shares and Common Shares at the time outstanding.

(4) Dissolution

In the event of the dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, subject to the prior rights of holders of any other class of shares ranking senior to the Class B Restricted Voting Shares with respect to priority in the distribution or assets upon dissolution, liquidation or winding-up, the holders of Class B Restricted Voting Shares and the holders of Common Shares shall participate rateably in equal amounts per share, without preference or distinction, in the remaining assets of the Company.

(5) Restrictions on Transfer

No Class B Restricted Voting Share shall be transferred by any holder thereof pursuant to an Exclusionary Offer unless, concurrently with the Exclusionary Offer, an offer to acquire Common Shares is made that is identical to the Exclusionary Offer with respect to price per share, percentage of outstanding shares to be taken up (exclusive of shares owned immediately before the Exclusionary Offer) and in all other material respects (except with respect to any additional conditions that may be attached to the Exclusionary Offer that relate exclusively to the Class B Restricted Voting Shares).

(6) Redemption

(6.1) Subject to Sections 6.2, 6.4 and 7.3 and applicable law, if an Offer is made, each outstanding Class B Restricted Voting Share shall be redeemed by the Company at the Redemption Price per Class B Restricted Voting Share at the option of the holder as provided in Section 6.4. The redemption right provided for in this Section 6.1 may be exercised by notice in writing given to the Company during the Redemption Period accompanied by the share certificate(s) representing the Class B Restricted Voting Shares in respect of which the holder desires to exercise such right of redemption, and such notice shall be executed by the holder of the Class B Restricted Voting Shares registered on the books of the Transfer Agent, or by his, her or its attorney duly authorized in writing, and shall specify the number of Class B Restricted Voting Shares which the holder desires to have redeemed. The holder shall pay any governmental or other tax imposed on or in respect of such redemption. The Company shall issue or cause to be issued a cheque for the aggregate Redemption Price to be paid to such holder (less any tax required to be withheld) in accordance with Section 6.4. If less than all of the Class B Restricted Voting Shares represented by any share certificate are to be redeemed, the holder shall be entitled to receive a new share certificate representing, in the aggregate, the number of Class B Restricted Voting Shares represented by the original share certificate which are not to be redeemed.

(6.2) The redemption right provided for in Section 6.1 shall not come into effect if:

(a) one or more shareholders of the Company who did not make or act in concert with the person or persons making the Offer and who, in the aggregate, beneficially own, directly or indirectly, or exercise control or direction over, not less than 50% of the outstanding Common Shares, determine within five Business Days after the Offer Date that he, she or they will continue to so own or exercise control or direction over, in the aggregate, 50% or more of the outstanding Common Shares;

(b) contemporaneously with the Offer, an offer is made to the holders of Class B Restricted Voting Shares upon the same terms and conditions as those contained in the Offer, including the consideration to be paid to the holders of Common Shares and the offer is for the same percentage of Class B Restricted Voting Shares as the percentage of Common Shares sought to be acquired under the Offer, excluding in each case the number of shares then owned by the offeror;

(c) the board of directors determines within five Business Days after the Offer Date that the Offer is not bona fide or is made primarily for the purpose of causing the redemption right provided for in Section 6.1 to come into effect and not primarily for the purpose of acquiring Common Shares; or

(d) the Offer is not completed in accordance with its terms;

provided that:

(e) in the case of Section 6.2(a) above, within six Business Days after the Offer Date a certificate signed by or on behalf of one or more shareholders of the Company is delivered to the secretary of the Company confirming that: (i) such shareholders did not make or act in concert with the person or persons making the Offer; (ii) such shareholders beneficially own, directly or indirectly, or exercise control or direction over, in the aggregate, not less than 50% of the outstanding Common Shares; and (iii) such shareholders have determined that they will not accept the Offer; and provided further that upon any variation of the Offer, including an increase in price, such shareholders of the Company shall be deemed not to have accepted the Offer as varied and the certificate delivered by or on behalf of them as described above shall be deemed to continue to apply and no further certificate need be filed for purposes of these share provisions unless and until one or more of such shareholders determine to accept the Offer as varied and the result of such acceptance would be to reduce the aggregate holdings of the remaining shareholders who delivered such certificate to less than 50% of the outstanding Common Shares, in which case a certificate to that effect signed by or on behalf of such shareholders who determine to accept the Offer as varied shall be delivered to the Company forthwith after such determination and, in any event, not less than five Business Days before termination of the Redemption Period;

(f) in the case of Section 6.2(c), the secretary of the Company delivers to the Transfer Agent within six Business Days after the Offer Date a certified copy of a resolution of the board of directors determining that the Offer is not bona fide or is made primarily for the purpose of causing the redemption right provided for in Section 6.1 to come into effect and not primarily for the purpose of acquiring the Common Shares and stating the reason for such determination; and

(g) as soon as reasonably possible after the receipt of a certificate under Section 6.2(e) or a certified copy of the resolution under Section 6.2(f), the Company shall send to the holders of Class B Restricted Voting Shares notice of and a brief description of the effect of the determination under Section 6.2(a) or Section 6.2(c), as the case may be.

(6.3) If the events described in Sections 6.2(a), (b) and (c) shall not have occurred within six Business Days after the Offer Date, or if any amended certificate as described in Section 6.2(e) shall have been delivered, the Company shall send as soon as reasonable practicable to the holders of Class B Restricted Voting Shares a notice containing a brief description of the rights of such holders hereunder.

(6.4) The redemption of any Class B Restricted Voting Shares pursuant to Section 6.1 shall be subject to the provisions of this Section 6.4 and the provisions of Section 7.4 and the Company shall make all arrangements necessary or desirable to give effect to this Section 6.4. All Class B Restricted Voting Shares delivered for redemption pursuant to Section 6.1 shall be redeemed subject to completion of the Offer but no cheques representing the Redemption Price for the Class B Restricted Voting Shares so redeemed shall be delivered to the holders thereof unless and until the Offer is completed in accordance with its terms. Within 10 days after the Redemption Date, the Company shall deliver to the holders of the Class B Restricted Voting Shares that are being redeemed payment representing the Redemption Price for the Class B Restricted Voting Shares so

redeemed. If the Offer is not completed, the right provided in Section 6.1 shall not be effective and the Company shall return or issue and deliver to the holders entitled thereto share certificates representing Class B Restricted Voting Shares delivered to the Company pursuant to Section 6.1.

(6.5) Redemption moneys that are represented by any cheque which is not presented to the Company's bankers for payment or otherwise not claimed within six years after the Redemption Date shall be irrevocably forfeited to the Company.

(6.6) From and after the Redemption Date, the Class B Restricted Voting Shares redeemed shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Redemption Price is not made in accordance with the foregoing provisions.

(6.7) All Class B Restricted Voting Shares which are redeemed shall be deemed to be returned to the authorized but unissued share capital of the Company.

(7) Conversion

(7.1) Each Class B Restricted Voting Share may be converted into one Common Share, without payment of any additional consideration, at the election of the holder thereof (the "**Conversion Right**"), as follows:

(a) at any time after the date that is the three year anniversary of the date of issuance of such Class B Restricted Voting Share, each Class B Restricted Voting Share may be so converted at any time and from time to time in accordance with the procedures set forth in Section 7.2;

(b) if the Company determines that the Company has ceased to be a "foreign private issuer", the Company shall give prompt Notice to the holders of Class B Restricted Voting Shares in respect of such determination and, thereafter, each Class B Restricted Voting Share may be so converted at any time and from time to time in accordance with the procedures set forth in Section 7.2;

(c) if the Company enters into a binding agreement that provides for or would, if given effect, result in a Change in Control of the Company, or the Company determines that a Change in Control may occur, the Company shall give prompt Notice thereof to the holders of Class B Restricted Voting Shares and, commencing on the date of such Notice, each Class B Restricted Voting Share shall be so convertible in accordance with the procedures set forth in Section 7.2;

(d) subject to Section 7.3, if there is an Offer the Company shall give prompt Notice to the holders of Class B Restricted Voting Shares and, commencing on the Offer Date until completion or termination of such Offer, each Class B Restricted Voting Share shall be so convertible in accordance with the procedures set forth in Section 7.2; or

(e) if a meeting of shareholders is called to elect directors who are not nominees of the Company or management of the Company or if a meeting of shareholders is called at which a contested election of directors will be considered, then the Company shall give prompt Notice to the holders of Class B Restricted Voting Shares and, commencing on the date that is 10 Business Days before the record date for determining shareholders entitled to vote at such meeting, such Class B Restricted Voting Shares shall be so convertible at any time and from time to time in accordance with the procedures set forth in Section 7.2.

(7.2) A holder of Class B Restricted Voting Shares may voluntarily convert all or any number of Class

B Restricted Voting Shares held by such holder into Common Shares (subject in the case of a conversion made pursuant to Section 7.1(i) or 7.1(iv) to the restrictions on conversion contained therein) by surrendering the certificate(s) representing such Class B Restricted Voting Shares (or if such holder alleges that such certificate(s) has been lost, stolen or destroyed, a declaration of lost certificate and an agreement acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate(s)), at the office of the Transfer Agent, together with the Conversion Notice. If required by the Company, certificates representing Class B Restricted Voting Shares surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Company, duly executed by the holder or his, her or its attorney duly authorized in writing. Subject to the election by the Company to prohibit conversion pursuant to Section 7.1(i), the effective time of any conversion hereunder shall be the close of business on the date of receipt by the Transfer Agent of the surrendered certificate(s) (or declaration of lost certificate and agreement) and the Conversion Notice (the "**Conversion Time**"), and the Common Shares issuable upon conversion of such Class B Restricted Voting Shares represented by such certificate(s) shall be deemed to be issued and outstanding of record as of such time. The Company shall, as soon as practicable after the Conversion Time issue and deliver to such holder of Class B Restricted Voting Shares, or to his, her or its nominees, one or more certificates for the aggregate number of full Common Shares issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the Class B Restricted Voting Shares representing by the surrendered certificate(s) that were not converted into Common Shares.

(7.3) In the event of a holder of Class B Restricted Voting Shares provides the notice of redemption of Class B Restricted Voting Shares pursuant to Section 6.1, the Conversion Rights of such holder of Class B Restricted Voting Shares designated for redemption shall terminate at the close of business on the Redemption Date, unless the Redemption Price therefor is not fully paid on such Redemption Date, in which case the Conversion Rights of such holder for such Class B Restricted Voting Shares shall continue until such Redemption Price is paid in full.

(7.4) In the event of a liquidation, dissolution or winding-up of the Company, the Conversion Rights of holders of Class B Restricted Voting Shares shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Class B Restricted Voting Shares.

(7.5) No fractional Common Shares shall be issued upon conversion of Class B Restricted Voting Shares. Where the exercise of the Conversion Rights would otherwise result in fractional Common Shares being issued, the number of Common Shares to be issued by the Company shall be rounded down to the nearest whole number of Common Shares. A determination of whether or not any fractional share would be issuable upon a conversion of Class B Restricted Voting Shares shall be made on the basis of the total number of Class B Restricted Voting Shares the holder is at the time converting into Common Shares and the aggregate number of Common Shares issuable upon such conversion.

(7.6) The Company shall at all times while the Class B Restricted Voting Shares are outstanding, reserve and keep available out of its authorized but unissued share capital, for the purpose of effecting the conversion of Class B Restricted Voting Shares, such number of its duly authorized Common Shares as shall from time to time be sufficient to effect the conversion of all outstanding Class B Restricted Voting Shares; and if at any time the number of authorized but unissued Common Shares shall not be sufficient to effect the conversion of all then outstanding Class B Restricted Voting Shares, the Company shall take such corporate and other action as may be necessary to increase the number of its authorized by unissued Common Shares as shall be sufficient for such purposes, including, without limitation, obtaining the requisite shareholder approval to any necessary amendment to its articles.

(7.7) Subject to Section 7.1(i), Section 7.3 and Section 7.10, all Class B Restricted Voting Shares which

have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only for the rights of the holders thereof to receive Common Shares in exchange therefor and to receive payment of any dividends declared but unpaid thereon.

(7.8) If there shall occur any reorganization, recapitalization, reclassification, merger or amalgamation involving the Company in which the Common Shares (but not the Class B Restricted Voting Shares) are converted into or exchanged for securities, cash or other property then, following such reorganization, recapitalization, reclassification, merger or amalgamation, each Class B Restricted Voting Share shall thereafter be convertible, in lieu of the Common Share into which it was convertible before such event, into the kind and amount of securities, cash or other property which a holder of the number of Common Shares issuable upon conversion of one Class B Restricted Voting Share immediately before such reorganization, recapitalization, reclassification, merger or amalgamation would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the board of directors) shall be made in the application of the provisions of this Section 7.8 with respect to the rights and interests thereafter of the holders of the Class B Restricted Voting Shares, to the end that the provisions set forth in this Section 7.8 shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Class B Restricted Voting Shares.

(7.9) A holder of Class B Restricted Voting Shares on the record date for the determination of holders of Class B Restricted Voting Shares entitled to receive a dividend declared payable on the Class B Restricted Voting Shares will be entitled to such dividend notwithstanding that such share is converted after such record date and before the payment date of such dividend, and the holders of any Common Shares resulting from any conversion shall be entitled to rank equally with the holders of all other Common Shares in respect of all dividends declared payable to holders of Common Shares of record on any date on or after the date of conversion.

(7.10) Despite any other provision hereof, a holder of Class B Restricted Voting Shares that has duly presented a Conversion Notice may, at any time before such Class B Restricted Voting Shares are converted and Common Shares are issued, by irrevocable written notice to the Company, advise the Company that the holder no longer desires that such Class B Restricted Voting Shares be converted into Common Shares and, upon receipt of such written notice, the Company shall return to the holder the certificates(s) representing such Class B Restricted Voting Shares, if any, and thereupon the Company shall cease to have any obligation to convert such Class B Restricted Voting Shares hereunder unless such Class B Restricted Voting Shares are again tendered for conversion by the holder in accordance with the provisions hereof.

(7.11) Each Class B Restricted Voting Share may be converted into one Common Share, at any time and from time to time, at the option of the Company by delivery to a holder of Class B Restricted Voting Shares of a notice indicating same and the holder of Class B Restricted Voting Shares shall only have the right to receive the relevant number of Common Shares resulting from such conversion and any accrued and unpaid dividends on the Class B Restricted Voting Shares so converted upon compliance with the terms of the notice. The effective time of conversion shall be the close of business on the date specified in the notice of the Company and the Common Shares issuable upon conversion of such Class B Restricted Voting Shares shall be deemed to be issued and outstanding of record as of such time and the applicable Class B Restricted Voting Shares shall be cancelled at that time.

(8) Changes to Class B Restricted Voting Shares

(8.1) The rights, privileges, restrictions and conditions attaching to the Class B Restricted Voting Shares as a class may be added to, changed or removed only with the sanction of the holders of Class B Restricted Voting Shares given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of

at least two-thirds of the votes cast at a meeting of holders of Class B Restricted Voting Shares duly called for such purpose and held upon at least 21 days' notice at which a quorum is present comprising one or more persons holding or representing by proxy at least 10% of the outstanding Class B Restricted Voting Shares. However, the rights, privileges, restrictions and conditions attached to the Class B Restricted Voting Shares shall not be added to, changed or removed without the prior approval of holders of Common Shares at a meeting of shareholders called for the purpose in accordance with the preceding rules. If any such quorum is not present within 30 minutes after the time appointed for the meeting then the meeting shall be adjourned to a date being not less than 15 days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by-laws of the Company with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting, each holder of a Class B Restricted Voting Share shall be entitled to one vote in respect of each Class B Restricted Voting Share held.

(8.2) The Class B Restricted Voting Shares shall not be subdivided, consolidated, reclassified or otherwise changed unless, contemporaneously therewith, the Common Shares are subdivided, consolidated, reclassified or otherwise changed in the same proportion and in the same manner as the Class B Restricted Voting Shares.

Schedule "J"
RESULTING ISSUER BOARD RESOLUTION

"BE IT RESOLVED BY SPECIAL RESOLUTION THAT:

1. subject to the successful completion of the Business Combination as defined in the management information circular of Apogee Opportunities Inc. ("**Apogee**") dated August 8, 2018 (the "**Circular**"), the directors are empowered to determine, from time to time, by resolution of the directors, the number of directors of the Resulting Issuer and the number of directors to be elected at the annual meeting of the shareholders; and

2. any one or more director or officer of Apogee is hereby authorized, for and on behalf and in the name of Apogee, to execute and deliver, whether under corporate seal of Apogee or otherwise, all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing."

Schedule "K"
HALO ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

[Please see attached.]

ANM, INC.
Consolidated Financial Statements

For the years ending December 31, 2017 and 2016
(Incorporated March 18, 2016)

ANM, INC.

Consolidated Financial Statements
Expressed in US Dollars
For the years ending December 31, 2017 and 2016
(Incorporated March 18, 2016)

UHY McGovern Hurley LLP
Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ANM, Inc.

We have audited the accompanying financial statements of ANM, Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the year ended December 31, 2017 and for the period from incorporation (March 18, 2016) to December 31, 2016, and a summary of significant accounting policies and other explanatory information.

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of ANM, Inc. and its subsidiaries as at December 31, 2017 and 2016, and their financial performance and cash flows for the year ended December 31, 2017 and for the period from incorporation (March 18, 2016) to December 31, 2016 in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements which indicates that ANM, Inc. had a working capital deficiency and accumulated losses as at December 31, 2017. These conditions along with other matters set forth in Note 2 indicate the existence of material uncertainties that cast significant doubt about the ability of ANM, Inc. to continue as a going concern.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
August 8, 2018

ANM, Inc.
Consolidated Statements of Financial Position

		December 31, 2017	*December 31, 2016*
		US$	*US$*
Assets			
Current			
Cash		**144,255**	299,453
Accounts receivable	Note 5	**381,402**	719,780
Inventory	Note 6, 7	**3,636,117**	461,430
Notes receivable	Note 8	**510,837**	100,862
Pre-paid expenses and other		**166,056**	54,445
Total current assets		**4,838,667**	1,635,970
Long-term			
Property, plant and equipment	Note 9	**2,444,692**	491,417
Intangibles	Note 10	**2,130,444**	-
Total long-term assets		**4,575,136**	491,417
Total assets		**9,413,803**	**2,127,387**
Liabilities			
Current			
Accounts payable and accrued liabilities		**2,393,283**	788,639
Convertible debentures	Note 12	**3,504,048**	1,002,240
Other Loans	Note 14	**2,293,744**	-
Income tax payable	Note 17	**322,328**	287,434
Deferred tax liability	Note 17	**140,000**	-
Embedded derivative liability	Note 12	**134,463**	218,339
Total current liabilities		**8,787,866**	2,296,652
Shareholders' equity (deficiency)			
Share capital	Note 13	**5,443,337**	131,047
Warrant and option reserve	Note 13	**3,724,835**	-
Convertible debenture conversion option	Note 12	**150,193**	-
Deficit		**(8,692,428)**	(300,312)
Total shareholders' equity (deficiency)		**625,936**	(169,265)
Total shareholders' equity (deficiency) & liabilities		**9,413,803**	**2,127,387**

Going concern Note 2
Commitments and contingencies Note 12, 14, 18
Subsequent events Note 19

Approved on behalf of the Board of Directors:

Kiran Sidhu	Philip van den Berg
CEO and Director	Director

ANM, Inc.
Consolidated Statements of Operations and Comprehensive Loss

		December 31, 2017 US$	*December 31, 2016 US$*
Sales		**10,013,680**	3,807,454
Cost of goods sold	Note 6, 9	**8,603,691**	2,991,530
Gain on changes in fair value of biological assets	Note 7	**(742,630)**	-
Total Cost of Goods Sold		**7,861,061**	**2,991,530**
Gross profit		**2,152,619**	**815,924**
Operating expenses			
General and administration		**1,701,311**	174,939
Salaries		**870,104**	113,381
Professional fees		**1,314,068**	197,983
Sales and marketing		**1,680,276**	238,850
Investor relations		**179,892**	-
Share based compensation	Note 13	**3,881,234**	-
Total operating expenses		**9,626,885**	**725,153**
Income (loss) before undernoted items		**(7,474,266)**	**90,771**
Accretion expense		**643,953**	139,954
Change in fair value of embedded derivative	Note 12	**(449,273)**	(68,088)
Transaction investigation expense		**348,708**	-
Loss on the sale of property		**22,484**	-
Interest expense		**264,692**	36,083
Loss before income taxes		**(8,304,830)**	**(17,178)**
Income tax expense	Note 17	**362,328**	283,134
Net loss		**(8,667,158)**	**(300,312)**
Net loss per share, basic and diluted:		**$(0.46)**	$(0.03)
Weighted average number of outstanding common shares, basic and diluted:		**18,956,475**	9,468,077

ANM Inc.

Statements of Change in Shareholders' Equity

Expressed in US Dollars

		Common shares	Common shares $	Options $	Warrants $	Convertible debenture conversion option	Deficit $	Total $
Shareholders equity (deficiency) March 18, 2016		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Convertible debt converted into shares	Note 13	-	-	-	-	-	-	**-**
Shares issued in private placements	Note 13	15,385,625	134,857	-	-	-	-	**134,857**
Share issue costs		-	(3,810)	-	-	-	-	**(3,810)**
Net income / (loss)		-	-	-	-	-	(300,312)	**(300,312)**
Shareholders equity (deficiency) December 31, 2016		**15,385,625**	**131,047**	**-**	**-**	**-**	**(300,312)**	**(169,265)**

		Common shares	Common shares $	Options $	Warrants $	Convertible debenture conversion option	Deficit $	Total $
Shareholders equity (deficiency) December 31, 2016		15,385,625	131,047	-	-	-	(300,312)	**(169,265)**
Convertible debt converted into shares	Note 13	1,527,611	1,176,260	-	-	-	-	**1,176,260**
Shares issued in private placements	Note 13	5,276,305	4,225,438	-	-	-	-	**4,225,438**
Share issue costs		-	(157,179)	-	-	-	-	**(157,179)**
Shares issued in settlement of debt	Note 12	116,279	100,000	-	-	-	-	**100,000**
Common shares repurchased and cancelled	Note 13	(1,958,336)	(32,229)	-	-	-	32,229	**-**
Share-based compensation	Note 13	-	-	913,056	2,968,178	-	-	**3,881,234**
Share-based payments issued for services	Note 13	-	-	-	86,413	-	-	**86,413**
Forfeitures of options and warrants	Note 13	-	-	(106,130)	(136,682)	-	242,812	**-**
Conversion options on convertible debt	Note 12	-	-	-	-	150,193	-	**150,193**
Net income / (loss)		-	-	-	-	-	(8,667,158)	**(8,667,158)**
Shareholders equity (deficiency) December 31, 2017		**20,347,484**	**5,443,337**	**806,926**	**2,917,909**	**150,193**	**(8,692,428)**	**625,936**

ANM, Inc.
Consolidated Statements of Cash Flow

		December 31, 2017 US$	*December 31, 2016 US$*
Cash provided by (used in)			
Operating activities:			
Net comprehensive loss		**(8,667,158)**	(300,312)
Items not involving cash			
Depreciation	Note 9	**473,375**	34,146
Income tax expenses	Note 17	**362,328**	287,434
Accrued interest		**265,108**	33,704
Accretion expense		**643,953**	139,954
(Gain) / loss in fair value of biological assets	Note 7	**(742,630)**	-
Change in the fair value of embedded derivative	Note 12	**(449,273)**	(68,088)
Share-based compensation	Note 13	**3,967,648**	-
Changes in working capital items			
Accounts receivable	Note 5	**338,378**	(719,780)
Accounts payable and accrued liabilities		**2,663,779**	888,639
Income tax payable	Note 17	**(287,434)**	-
Inventory	Note 6,7	**(2,432,057)**	(411,430)
Pre-paid expenses and other		**(77,760)**	(54,445)
Cash used in operating activities		**(3,941,743)**	**(170,178)**
Investing activities			
Intangibles	Note 10	**(264,294)**	-
Notes receivable		**(409,974)**	-
Purchase of property, plant and equipment	Note 9	**(2,426,650)**	(517,869)
Cash used in investing activities		**(3,100,918)**	(517,869)
Financing activities			
Issuance of convertible debentures	Note 12	**1,624,500**	937,228
Increase in loans	Note 14	**1,531,913**	-
Issuance of common shares net of issuance costs	Note 13	**3,731,050**	50,272
Cash raised in financing activities		**6,887,463**	**987,500**
Change in cash in during the period		**(155,198)**	299,453
Cash, beginning of the period		**299,453**	-
Cash end of the period		**144,255**	**299,453**

Supplemental information:

2016 convertible loan was converted into $1,177,670 of share capital on March 22, 2017

Acquisition of intangibles on June 20, 2017 for convertible debenture $1,900,000

1. Nature of operations and background information

ANM, Inc. ("ANM" or the "Company") was incorporated under the laws of the state of Oregon in the United States of America ("USA" or "US") on March 18, 2016. The Company operates under the assumed business names Hush Canna and Halo Labs. The Company's business operations include processing and distributing cannabis products for recreational use in the state of Oregon. The Company's corporate office and its principal place of business is 130 West Clark Street, Medford, Oregon, USA 97501.

These consolidated financial statements present the financial position of the Company at December 31, 2017 and 2016 and its financial performance and its cash flows for the periods ending December 31, 2017 and 2016. All amounts in these financial statements have been presented in US dollars and indicated as "$".

2. Going concern

These financial statements have been prepared using IFRS applicable to a going concern, which assume that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on generating profitable operations, raising additional financing, and continuing to manufacture its products. Having been prepared giving effect to the going concern assumption, these financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

Historically, management has been successful in obtaining enough funding for operating and capital requirements. There is, however, no assurance that the Company will continue to generate profits from operation or that additional future funding will be available to the Company, or that such funding will be both adequate to cover its obligations and available on terms which are acceptable to the management of the Company.

As at December 31, 2017 the Company had continued losses, an accumulated deficit and a working capital deficiency. These items represent material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern. See Note 19 for subsequent events.

In the United States, 30 states, the District of Columbia, and the U.S. territories of Guam and Puerto Rico allow the use of medical cannabis. Alaska, California, Colorado, Maine, Massachusetts, Nevada, Oregon, and the District of Columbia legalized the sale and adult-use of recreational cannabis.

At the federal level, however, cannabis currently remains a Schedule I controlled substance under the Federal Controlled Substances Act of 1970 ("Federal CSA"). Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. As such, even in those states in which marijuana is legalized under state law, the manufacture, importation, possession, use or distribution of cannabis remains illegal under U.S. federal law. This has created a dichotomy between state and federal law, whereby many states have elected to regulate and remove state-level penalties regarding a substance which is still illegal at the federal

level.

There remains uncertainty regarding the US federal government's position on cannabis with respect to cannabis-legal states. A change in its enforcement policies could impact the ability of the Company to continue as a going concern.

3. Basis of preparation

3.1 Basis of presentation and statement of compliance

The principal accounting policies adopted in the preparation of the consolidated financial statements are set forth below. The consolidated financial statements are presented in US dollars. Currently, US dollars serve as both the Company's functional and reporting currency.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been approved by the Company's Board of Directors on August 8, 2018.The financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value, as explained in the accounting policies in Note 4.

These consolidated financial statements are comprised of the financial results of the Company and its subsidiaries, which are the entities over which the Company has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Non-controlling interests in the equity of the Company's subsidiaries are shown separately in equity in the consolidated statements of financial position. The table below lists the Company's subsidiaries that are consolidated in these financial statements and the ownership interest held by non-controlling interests.

Equity interests

	December 31, 2017	***December 31, 2016***
PSG Coastal Harvest LLC	**100%**	-
Coastal Harvest LLC	**100%**	-
East Evans Creek Farm LLC	**100%**	-

3.2 Critical judgements and estimations uncertainties

The preparation of the consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts

reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Assets carrying values and impairment charge

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make decisions based on the best available information at each reporting period.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment after the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made. See Note 17.

Allowance for doubtful accounts

The Company assesses whether accounts receivable is collectible from customers. Accordingly, an allowance is established for estimated losses arising from non-payment and other sales adjustments, taking into consideration customer credit-worthiness, current economic trends and past experiences. If future collections differ from estimates, future earnings would be affected.

Share-based payment transactions and warrants

The Company measures the cost of equity-settled transactions with employees and directors by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share- based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility,

dividend yield of the share option and forfeiture rate. Similar calculations are made to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

To calculate the share-based compensation expense related to key employee performance milestones associated with the terms of an acquisition, the Company must estimate the number of shares that will be earned and when they will be issued based on estimated discounted probabilities.

Fair value of financial instruments

Certain of the Company's assets and liabilities are measured at fair value. In estimating fair value, the Company uses market-observable data to the extend it is available. In certain cases where Level 1 inputs are not available the Company will engage third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair value of biological assets is disclosed in Note 4.4.

Intangible assets

Purchased intangible assets are recognized as assets in accordance with IAS 38, *Intangible Assets,* where it is probable that the use of the asset will generate future economic benefits and where the cost of the asset can be determined reliably. Intangible assets acquired are initially recognized at cost of purchase and are subsequently carried at cost less accumulated amortization, if applicable, and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Licenses and trade names have an indefinite useful life and are tested for impairment annually.

Impairment of non-financial assets

Non-financial assets include PPE and intangible assets. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate and royalty rate.

Inventory

In calculating the value of the biological assets and inventory, management is required to make several estimates, including estimating the stage of growth of the cannabis up to the point of harvest, harvesting costs, average or expected selling prices and list prices, expected yields for the cannabis plants, and oil conversion factors. In calculating final inventory values, management compares the inventory costs to estimated realizable value. Further information on estimates used in determining the fair value of biological assets is contained in Note 4.4.

Useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease non-current assets.

Contingencies

Refer to Notes 1 and 18.

3.3 New standards and interpretations to be adopted in future periods

At the date of authorization of these financial statements, the IASB and IFRS Interpretations Committee (IFRIC) have issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted. However, the Company is currently assessing what impact the application of these standards or amendments will have on the financial statements.

IFRS 9 “Financial Instruments” was issued in final form in July 2014 by the IASB and will replace IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities

to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of interest to non- financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers. In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 specifies how and when to recognize revenue as well as requiring entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and several revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 must be applied in an entity's first annual IFRS financial statements for periods beginning on or after January 1, 2018.

IFRS 16 - Leases replaces IAS 17, Leases. The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a "right-of- use asset" with exception for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within the operating and financing activities for the interest and principal portions, respectively. IFRS 16 is effective for annual period beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, Revenue of Contracts with Customers, is also applied. The Company has yet to evaluate the impact of this newstandard.

IFRS 23 – Uncertainty over income tax treatments. In June 2017 the IASB issued IFRIC 23, "Uncertainty over income tax treatments ("IFRIC 23"), to clarify the accounting of uncertainties in income taxes. The interpretation provides guidance and clarifies the application of recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning January 1, 2019. The Company is currently assessing the impact of IFRIC 23 on its consolidated financial statements.

4. Summary of significant accounting policies

4.1 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and short-term deposits with original maturities of three months or less. As at December 31, 2017 and 2016 there were no cash equivalents.

4.2 Foreign currency

Foreign currency transactions are translated into U.S. dollars at exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to U.S. dollars at the foreign exchange rate applicable at that date. Realized and unrealized exchange gains and losses are recognized through profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the

exchange rate at the date of the transaction.

4.3 Inventory

Inventory is valued at the lower of cost and net realizable value. Cost comprises all costs of purchases and other costs incurred in bringing inventories to their location and condition at period end date. The Company uses the weighted average method to track and cost inventory items. The Company maintains three categories of inventory: Raw materials, work in process and finished goods inventory.

Inventory is written down to net realizable value by item when a decline in the price of items indicates that the cost is higher than the net realizable value. When events having caused a decline in the valuation of inventories no longer exist, the amount of the write-down is reversed so that the new carrying amount is the lower of the cost and the revised net realizable value.

Inventories of harvested work-in-process and finished goods are valued at the lower of cost and net realizable value. Inventories of harvested cannabis are transferred from biological assets at their fair value at harvest, which becomes the initial deemed cost. Any subsequent post-harvest costs are capitalized to inventory to the extent that cost is less than net realizable value. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories for resale and supplies and consumables are valued at the lower of costs and net realizable value, with cost determined using the average cost basis.

4.4 Biological assets

The Company's biological assets consist of cannabis plants. Except for depreciation, which is directly expensed in the period and presented separately in the Consolidated Statement of Operations, the Company capitalizes the direct and indirect costs incurred related to the biological transformation of the biological assets between the point of initial recognition and the point of harvest. The Company then measures the biological assets at fair value less cost to sell up to the point of harvest, which becomes the basis for the cost of finished goods inventories after harvest. The net unrealized gains or losses arising from changes in fair value less cost to sell during the year are included in the results of operations of the related year.

Certain of the Company's assets and liabilities are measured at fair value. In estimating fair value, the Company uses market-observable data to the extent it is available. In certain cases where Level 1 inputs are not available the Company expects to engage with third party qualified valuers to perform the valuation when the assets are expected to be material.

The significant assumptions used in determining the fair value of the biological assets are as follows:

- stage in the overall growth cycle;
- estimated harvest yield by plant; and

- estimated quality of produce based on grow scenarios.

The Company's estimates are, by their nature, subject to change. Changes in the anticipated yield or quality will be reflected in future changes in the gain or loss on biological assets.

4.5 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses. Expenditures are capitalized if future economic benefits will arise from the expenditures. All other expenditures, including repair and maintenance, are recognized in the statement of income (loss) as incurred.

Depreciation is charged to the statement of operations based on the cost, less estimated residual value, of the asset on a straight-line basis over its estimated useful life. Depreciation commences when the asset is placed into service. Estimated useful lives have been determined as follows:

Usful life of assets	
Production equipment	1-3 years
Leasehold improvements	Remaining duration of lease or 5 years
Office equipment	2 years
Computer equipment	2 years
Furniture & fixtures	5 years
Safe-keeping vaults	20 years
Vehicles	5 years

Property, plant and equipment are amortized over the estimated useful life of the asset. Changes in the estimated useful lives could significantly increase or decrease the amount of amortization recorded during the period.

4.6 Accounts payable and accrued liabilities

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the Company has a present obligation, and the costs to settle this obligation are both probable and able to be reliably measured.

4.7 Convertible debentures

Convertible debentures are separated into debt and equity components based on the fair value of each component at the date of issue. The value of the debt component is calculated at the estimated fair value of the future interest and principal payments due under the terms of the convertible debentures, with the residual value assigned to the equity component.

Transaction costs directly related to the debt component reduce the carrying value of the convertible debentures. Transaction costs related to the equity component of convertible debentures are recognized in the value of the equity component, net of deferred income tax. After initial recognition, the liability component of convertible debentures is measured at amortized cost using the effective interest rate method and is accreted up to its face value. The equity component is not re-measured after initial recognition. For convertible debentures in which the conversion feature is determined to be an embedded derivative liability, the embedded derivative liability is valued first, with the residual value assigned to the debt component of the instrument at inception. Transaction costs allocated to the embedded derivative component are recognized in profit or loss. An embedded derivative liability is recognized at fair value with changes in fair value recognized in profit or loss.

4.8 Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating policy decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

4.9 Revenue recognition

The Company derives its revenues from the sales of its finished goods inventory to its customers: Oregon dispensaries selling medical or recreational cannabis and cannabis-related products. Revenue is shown net of credits, allowances, returns and discounts. Revenue is recognized when the risk and rewards of product ownership pass to the buyer, the amount of revenue can be measured reliably, the receipt of economic benefits is probable, and costs incurred can be measured reliably. The Company considers the foregoing criteria to be met upon delivery of finished goods to its customers.

4.10 Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for the effects of all dilutive potential common shares, which comprise warrants and share options issued.

4.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term,

except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4.12 Taxation

The Company follows the deferred tax method of accounting for income taxes. Under this method of tax allocation, deferred tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary timing differences). Deferred tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is enacted or substantively enacted. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Offsetting of deferred tax assets and liabilities occurs when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Company is subject to US Internal Revenue Code ("IRC") Section 280E. This section disallows deductions and credits attributable to a trade or business trafficking in controlled substances. Under US tax, cannabis is a Schedule I controlled substance. The Company has taken the position that any costs included in the cost of goods sold should be treated as amounts eligible for full absorption rules IRC Section 471.

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgements in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs after the issuance of the financial statements.

4.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

Financial assets of the Company are comprised primarily of cash, accounts receivable and notes receivable. The financial liabilities of the Company are comprised of accounts payable and accrued liabilities, payroll liabilities, convertible debentures and other loans, other liabilities and embedded derivative liability.

Financial assets and financial liabilities are recognized in the statement of financial position initially at fair value when the Company becomes a party to the contractual provisions of the financial instrument.

4.14 Financial assets

Financial assets are classified, at initial recognition, into one of the following categories:

- Fair value through profit or loss;
- Held-to-maturity investments;
- Loans and receivables;
- Available-for-sale financial assets; or
- Derivatives designated as hedging instruments in an effective hedge.

Financial assets at fair value through profit or loss ("FVTPL") include financial assets held for trading and are classified as such if they are acquired for selling or repurchasing in the near term, and those that are designated as such upon initial recognition when doing so results in more relevant information being presented. This category also includes derivative financial instruments entered by the Company that are not designated as hedging instruments in an effective hedging relationship. Cash is classified into this category.

Financial assets are initially and subsequently measured at fair value except for loans and receivables and investments that are held-to-maturity, which are subsequently measured at amortized cost using the effective interest rate method, less impairment. Accounts receivable are currently classified in loans and receivables.

Subsequent recognition of changes in fair value of financial assets re-measured at each reporting date at fair value depend on their initial classification. Financial assets at fair value through profit or loss are measured at fair value with all gains and losses included in net income in the period in which they arise. Available-for-sale financial assets are measured at fair value with gains and losses included in other comprehensive income until the asset is removed from the statement of financial position or until impaired. None of the Company's assets are currently classified as available-for-sale financial assets.

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at each reporting date. Financial assets are impaired when there is objective evidence that, because of one or more events that occurred after initial recognition of the asset, the estimated future cash flows of the asset have been impacted.

4.15 Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception into one of the following two categories: fair value through profit or loss or other financial liabilities. Financial liabilities classified at fair value through profit or loss are measured each subsequent reporting period end with changes in fair value recognized in to profit or loss. At December 31, 2017, the Company classified the embedded derivative liability as FVTPL, see Note 12. Financial liabilities classified as other financial

Expressed in US dollars

liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The Company's accounts payable and accrued liabilities, income taxes payable, and convertible loans, other loans and other liabilities are classified as other financial liabilities. Transaction costs other than those related to financial instruments classified as FVTPL, which are expensed as incurred, are added to the fair value of the financial asset or financial liability on initial recognition and amortized using the effective interest method.

5. Accounts receivable

Accounts receivable

	December 31, 2017	*December 31, 2016*
	US$	***US$***
1 - 30 days	**335,535**	690,600
30 - 60 days	**28,387**	16,918
60 - 90 days	**-**	12,262
> 90 days	**17,480**	-
Total	**381,402**	719,780

Accounts receivable are measured at amortized cost net of allowance for uncollectible amounts. The Company determines its allowance based on several factors, including length of time an account is past due, the customer's previous loss history, and the ability of the customer to pay its obligation to the Company. The Company writes off receivables when they become uncollectible.

Accounts receivable

	December 31, 2017	*December 31, 2016*
	US$	***US$***
Accounts receivable		
Accounts receivable - trade	**389,955**	624,767
Allowance for doubtful accounts	**(8,553)**	(5,241)
Accounts receivable - other	**-**	100,254
Total accounts receivable	**381,402**	719,780
Continuity of allowance for doubtful accounts		
Beginning balance	**(5,241)**	-
Increase in provision for doubtful accounts	**(14,015)**	(5,636)
Provision used to write-off receivables	**10,703**	395
Ending balance	**(8,553)**	(5,241)

Bad debt expense amounts for the year are included in general and administration expenses. All the Company's trade and other receivables have been reviewed for indicators of impairment.

Expressed in US dollars

6. Inventory

The Company maintains three classes of inventory: raw materials, work in process ("WIP") and finished goods. Raw materials consist of cannabis "trim" and various packaging and incidental items. WIP consists primarily of inventory in the process of being converted from trim to oil. Finished goods inventory includes cannabis oil in cartridges, batteries for vaporizer pen cartridges, and packages of solidified cannabis oil ("shatter").

Inventory by class

	December 31, 2017	*December 31, 2016*
	US$	*US$*
Raw materials	**981,945**	56,151
Work in progress	**895,165**	240,110
Finished goods	**1,759,007**	165,169
Total	**3,636,117**	461,430

The Company allocates various production and overhead costs and expenses to inventory items. As such, the cost of inventory is recognized as an expense, and included in cost of goods sold for the period ended December 31, 2017 in the amount of $4,324,486 (2016: $1,539,262).

7. Biological assets

The Company's biological assets consist of cannabis plants. The Company leases four acres for its cultivation. The grow cycle is twelve weeks and the plants are harvested in the final quarter of the year. As at December 31, 2017, biological assets had no carrying value as all plants were harvested and transferred to inventory.

Biological assets

	December 31, 2017	*December 31, 2016*
	US$	*US$*
Balance December 31,2016	**-**	-
Acquisition of biological assets	**1,016,172**	-
Gain / (loss) on fair value biological assets	**742,630**	-
Transferred to inventory upon harvest	**(1,758,802)**	-
Balance December 31, 2017	**-**	-

8. Notes receivable

Notes receivable are due from a founding shareholder of the Company in the amounts of $15,081 and 2,551 (2016: $100,862). In addition is the note receivable from Emerald Green Gardens Inc., a supplier to the Company in the amount of $493,204 (2016: nil). The notes are non-interest bearing, unsecured and have no fixed terms

Expressed in US dollars

for repayment.

9. Property, plant and equipment

Property, plant and equipment

	Production equipment US$	Leasehold improvements US$	Office equipment US$	Vehicles US$	Total US$
Cost:					
Balance as at March 18, 2016	-	-	-	-	-
Additions	282,330	184,688	25,920	32,625	525,563
Dispositions	-	-	-	-	-
Balance as at December 31, 2016	282,330	184,688	25,920	32,625	525,563
Additions	1,296,007	1,357,677	10,432	-	2,664,115
Dispositions	(208,987)	-	-	(32,625)	(241,612)
Balance as at December 31, 2017	1,369,350	1,542,365	36,352	-	2,948,066
Accumulated depreciation:					
Balance as at March 18, 2016	-	-	-	-	-
Depreciation	(29,860)	(1,387)	(1,368)	(1,531)	(34,146)
Balance as at December 31, 2016	(29,860)	(1,387)	(1,368)	(1,531)	(34,146)
Depreciation	(413,174)	(52,588)	(4,996)	(2,617)	(473,375)
Dispositions	-	-	-	4,148	4,148
Balance as at December 31, 2017	(443,034)	(53,975)	(6,364)	-	(503,374)
Net book value December 31, 2016	252,470	183,301	24,552	31,094	491,417
Net book value December 31, 2017	926,315	1,488,390	29,988	-	2,444,692

Dispositions in production equipment includes the termination of the Ramona project in California. Total depreciation expense included in cost of goods sold for the period ended December 31, 2017 was $473,375 (2016: $34,146).

10. Intangible assets

The Company has four producer licenses for its wholly owned farm East Evans Creek Farm LLC. The Company also has a wholesale distribution license and a producer license for its production facility in Medford. The licenses are renewed each year. They are valued at their cost of $23,663 and expensed.

On June 20, 2017, the Company signed a Membership Interest Purchase Agreement for the purchase by the Company (through a holding company) of a volatile extraction license for Cathedral City, California. The transaction has been recorded as an asset acquisition. The purchase price of the license is $2.0 million. The

Expressed in US dollars

license is renewed each year. The payment was effected by a $100,000 cash down payment and the issuance of convertible promissory notes for the balance of $1.9 million (Note 12). The value of the consideration paid in addition to transaction costs of $163,069 were attributed to the intangibles in the amount of $2,129,219 and to prepaid expenses in the amount of $33,850 for certain lease deposits acquired in the same transaction.

Intangibles

	License US$	Brand names US$	Total US$
Cost:			
Balance as at March 18, 2016	-	-	-
Additions	-	-	-
Impairment	-	-	-
Balance as at December 31, 2016	-	-	-
Additions	2,129,219	1,225	2,130,444
Impairment	-	-	-
Balance as at December 31, 2017	2,129,219	1,225	2,130,444
Accumulated amortization:			
Balance as at March 18, 2016	-	-	-
Amortization	-	-	-
Balance as at December 31, 2016	-	-	-
Amortization	-	-	-
Balance December 31, 2017	-	-	-
Net book value December 31, 2016	-	-	-
Net book value December 31, 2017	2,129,219	1,225	2,130,444

11. Related party relationships, transactions and balances

Key employees include the Company's directors, senior officers and any employees with authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

In 2017 remuneration to executives was $243,482 (2016: $52,781). Purchases of raw materials from a director and shareholder in the Company during 2017 were $13,037 (2016: $62,355) through a controlling interest in RAND Farm, a raw materials supplier to the Company.

Expressed in US dollars

Related party transactions

	December 31, 2017	*December 31, 2016*
	US$	*US$*
Sales	**-**	160,802
Purchase	**13,037**	62,355

Due from a founding shareholder is $15,081 in relation to a note receivable (note 8), $2,551 to employees and $65,197 in relation to advances made to officers and directors of the Company. Due to shareholders was $1,337,065. Of this, $127,861 is included in accounts payable as advanced liabilities, $104,995 are included in convertible debentures and $1,104,210 are included in other loans, which are unsecured and bear interest at 12% - 24%. (See Note 14 for terms shareholder loans).

Related parties

	December 31, 2017	*December 31, 2016*
	US$	*US$*
Due from shareholders and other related parties	**80,278**	23,081
Shareholder loans to to directors, officers and their close family	**1,337,065**	-

Options and warrants were granted on May 12, 2017 to staff, directors and consultants. Options and warrants granted to employees and directors vest over a period of two years every three months in equal amounts. Share-based compensation is recognized every three months on a graded vesting basis and included in operations.

Compensation key executives

	December 31, 2017	*December 31, 2016*
	US$	*US$*
Salaries, commissions, bonuses, consulting fees	**243,482**	52,781
Share-based compensation	**714,196**	-
Total	**957,678**	52,781

Expressed in US dollars

12. Convertible debentures

Convertible debentures			
		December 31, 2017	*December 31, 2016*
		US$	*US$*
Convertible loan 2016	Note 12.1	**-**	1,002,240
Convertible loan 2017	Note 12.2	**1,681,810**	-
Convertible promissory note	Note 12.3	**1,822,238**	-
Total		**3,504,048**	1,002,240

12.1 Convertible loan 2016

In 2016 the Company issued convertible promissory notes with a face value of $1,115,008. The interest rate was 12% and the notes were convertible at 90% of the price paid by a cash investor in the next equity raise. On March 22, 2017 the convertible debentures issued in 2016 were converted into 1,527,611 common shares. Accrued interest in 2016 was $33,704 and in 2017 until conversion in March 2017 accrued interest was $29,809. Accrued interest was paid in shares.

12.2 Convertible loan 2017

Continuity convertible debentures		
Beginning balance March 18, 2016	$	-
Convertible debentures issued		1,115,008
Embedded derivative liability at issue		(286,426)
Accretion of loan discount		139,954
Accrued interest		33,704
Balance December 31, 2016	$	1,002,240
Beginning balance December 31, 2016	$	1,002,240
Accretion of loan discount		146,472
Accrued interest 2016 convertible debenture		29,809
Total 2016 convertible debentures converted		(1,178,521)
Convertible debentures issued 2017		1,624,500
Embedded derivative liability at issue		(365,397)
Accretion of loan discount		335,149
Accrued interest to December 31, 2017		87,558
Balance December 31, 2017	$	1,681,810

During the year ended December 31, 2017, the Company issued a new convertible debenture in four tranches. The Note Purchase Agreement was dated July 13, 2017. Unless and until converted, these instruments bear interest at the rate of 12 percent per annum. Interest on these debentures is computed monthly and, at the Company's discretion, may be accrued or paid monthly. In the event the Company consummates a qualifying equity financing, the outstanding principal and any accrued and unpaid interest under this issuance automatically converts into common shares at a price per share equal to 95 percent of the price per share paid by cash investors in the qualifying equity financing. The conversion price was amended to $0.18 (C$0.24) after December 31, 2017 (Note 19). The conversion feature of the convertible debt is considered an embedded derivative liability because the conversion price varies based on the conversion date and closing sales price of the Company's common shares.

The calculated value of the embedded derivative liability at inception was $365,397 and the residual balance of $1,259,103 was allocated to the debt component of the convertible. The Black-Scholes option pricing model was used at the date of measurement with the following assumptions:

- Expected life of the four tranches is 0.3 – 0.5 year;
- Risk-free interest rate 1.23% – 1.55%;
- Expected dividend yield 0%;
- Expected volatility 70%.

Volatility was estimated by using the historical volatility of publicly traded companies. that the Company considers comparable that have trading and volatility history. The expected life in years represents the contractual period that the embedded derivatives were expected to be outstanding. The risk-free rate is based on zero coupon Canada government bonds with a remaining term equal to the expected life of the embedded derivatives.

As at December 31, 2017, the embedded derivative liability is classified as a current liability on the statement of financial position and is carried at a fair value of $134,463. The Black-Scholes option pricing model was used at the date of measurement with the following assumptions:

- Expected life of the four tranches is 0.03 year;
- Risk-free interest rate 1.66%;
- Expected dividend yield 0%;
- Expected volatility 70%.

Expressed in US dollars

12.3 Convertible promissory note

Coastal Harvest promissory notes	
Promissory notes issued - June 20,2017	1,900,000
Value of the equity component net of transaction costs	(250,193)
Accretion of loan discount	162,332
Accrued interest	10,099
Balance December 31, 2017	1,822,238

On June 20, 2017, the Company signed a Membership Interest Purchase Agreement among multiple parties. In connection with the agreement the Company issued convertible promissory notes with a face value of $1.9 million.

The convertible promissory notes matured on April 15, 2018 and are secured against the Company's interest in Coastal Harvest LLC and bear interest of 1% per annum. The notes are convertible at any time after December 2, 2017 and up until fifteen days prior to the maturity date at a conversion price of $0.86 per note.

The convertible promissory notes have been treated as compound financial instruments, as the notes could be settled through the issuance of common shares. The conversion feature has been recognized in equity as it meets the definition of an equity instrument. The liability component was recognized at its fair value, calculated as the present value of its contractually determined future cash flows discounted at a rate of 20%, which is deemed to be a reasonable approximation of the rate applied to instruments having similar terms, credit status and cash flows that do not have a conversion feature. In accordance with IAS 32, the residual amount after deducting the fair value of the liability component from the fair value of the instrument was assigned to the equity component.

On June 20, 2017, the estimated fair value of the promissory note was $1,649,807 and the fair value of the equity component was $250,193, which was recorded net of deferred tax of $100,000 that has resulted from the taxable temporary difference arising on recognition of the equity component separately from the liability component. At December 31, 2017 the carrying value of the promissory note is $1,822,238.

13. Share capital

13.1 Share capital

Share capital consists of two classes of shares. On June 30, 2017, the shareholders of the Company approved an increase in the number of authorized common shares to 80,000,000 common shares from 20,000,000 common shares. The Company is authorized to issue the following shares:

Expressed in US dollars

Authorized shares

Class	*December 31, 2017*	*December 31, 2016*
Common shares, no par value	**80,000,000**	20,000,000
Preferred, no par value	**5,000,000**	5,000,000

At December 31, 2017 the Company had 20,347,484 (2016: 15,385,625) shares of common stock outstanding and no outstanding shares of preferred stock. The following table reflects the continuity of common shares from March 18, 2016 to December 31, 2017. Common shares were issued for cash through private placements, settlement of debts and conversion of convertible debt. Common shares were also redeemed and cancelled.

Continuity of common shares for the period

	Shares	**Amount US $**
Opening balance March 18, 2016	-	-
Common shares issued to founders for cash	7,308,125	73,082
Common shares issued to founders for assets purchased	8,077,500	61,775
Share issuance costs	-	(3,810)
Balance December 31, 2016	15,385,625	131,047
Opening balance January 1, 2017	15,385,625	131,047
Common shares issued	6,920,195	5,501,698
Common shares cancelled	(1,958,336)	(32,229)
Share issuance costs	-	(157,179)
Balance December 31, 2017	20,347,484	5,443,337

On August 6, 2016, the Company issued 7,308,125 shares from a non-brokered placement at a price of $0.01 (C$0.01) for aggregate proceeds of $73,081. The Company also issued 8,077,500 shares in exchange for assets contributed to the Company at a price of $0.01 (C$0.01) valued at $61,775 and recorded share issue costs of $3,810.

On March 1, 2017, the Company redeemed 1.9 million shares of a former director for $100 and cancelled these shares. Their pro-rata value totaling $16,183 was accordingly transferred to the deficit.

On March 22, 2017, in conjunction with the Company consummating a qualifying financing event, the Company converted all its outstanding convertible debentures to common shares. Total principal and accrued but unpaid interest converted at $0.77 (C$1.03) per share and resulted in the issuance of 1,527,611 common shares with a value of $1,176,260.

On March 22, 2017, the Company initiated a new round of equity financing that was considered a qualifying financing event and triggered the automatic conversion of the convertible debentures. From April 21, 2017

Expressed in US dollars

through May 16, 2017, the Company closed four rounds of equity financing. All tranches were part of the same offering at approximately $0.86 (C$1.12) per share.

- On March 22, 2017, the Company issued 2,660,207 shares and raised $2,283,313 from a non-brokered placement at a price of $0.86 (C$1.12) per share
- On April 21, 2017, the Company issued 256,008 shares and raised $219,737 from a non-brokered placement at a price of $0.86 (C$1.12) per share.
- On May 15, 2017, the Company issued 1,703,412 shares and raised $1,462,075 from a non-brokered placement at a price of $0.86 (C$1.12) per share.
- On May 15, 2017, the Company issued 256,678 shares and raised $220,312 from a non-brokered placement at a price of $0.86 (C$1.12) per share.

On September 1, 2017, the Company issued 400,000 shares for a cash contribution of $40,000.

On September 8, 2017, the Company issued 116,279 shares in settlement of accounts payable of $100,000.

On October 27, 2017, the Company redeemed and cancelled 58,336 shares by agreement with a former employee of the Company. The pro-rata value of $16,049 was transferred to the deficit.

13.2 Share purchase warrants

Warrants outstanding at December 31, 2017

Grant date	Expiry date	Number of warrants outstanding	Number of warrants exercisable		Exercise price
12-May-17	11-May-27	4,935,000	3,792,500	$	0.90
12-Jul-17	11-Jul-19	350,000	87,500	$	0.90
10-Oct-17	09-Oct-19	833,333	833,333	$	0.90
		6,118,333	4,713,333	$	0.90

During 2017, 6,768,333 warrants were granted. 5,585,000 warrants having a life of 10 years were granted to employees and directors on May 12, 2017. Of these, 2,650,000 vested immediately and the remainder vest on a quarterly basis over a period of two years with the first tranche vesting on grant. 650,000 were forfeited during the year.

On July 12, 2017, 350,000 warrants exercisable until the date that is two years from the date of issuance

Expressed in US dollars

were granted to a service provider. These vest quarterly over a period of one year beginning from the date that is three months after issuance.

On October 10, 2017, 833,333 warrants were granted to a lender to the Company (Note 14). These warrants vest immediately and may be exercised up until the date that is two years from the grant date.

The exercise price of all warrants granted in the year ended December 31, 2017 is $0.90 (C$1.17).

The following is a summary of the changes in the Company's share purchase warrants for the twelve months ending December 31, 2017.

Warrants outstanding

	Period ended December 31, 2017		***Period ended December 31, 2016***	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Outstanding, beginning of period	-	$ -	-	$ -
Granted	6,768,333	$ 0.90	-	$ -
Exercised	-	$ -	-	$ -
Forfeited	(650,000)	$ 0.90	-	$ -
Outstanding, end of period	6,118,333	$ 0.90	-	

The weighted average fair value of each warrant granted is C$0.54 (C$0.69) using the Black-Scholes Option Pricing Model. The fair market value of warrants granted to staff is $0.64 (C$0.84). The fair market value of warrants granted to the service provider is $0.33 (C$0.42) which is recorded in investor relations. The fair market value of warrants granted to the lender is $0.00 (C$0.00).

The weighted average remaining contractual life of the warrants is 7.88 years. As at December 31, 2017, 4,713,333 of the issued and outstanding warrants were exercisable.

The Company recognized $2,968,178 in share-based compensation and $86,413 in investor relation expenses during the year ended December 31, 2017 at the value of the warrants earned during the period.

Expressed in US dollars

The assumptions used for the calculation of the fair market value of the warrants are:

Black-Scholes assumptions for warrants

	For the periods ended	
	December 31, 2017	***December 31, 2016***
Risk free rate	1.55% - 1.93%	NA
Expected life	2 - 10 years	NA
Expected volatility	70%	NA
Expected dividend per share	Nil	NA
Share price	$0.86	NA

Volatility is calculated by using the historical volatility of other companies that the Company considers comparable that have trading and volatility history prior to the Company becoming public. The expected life in years represents the time that the warrants granted are expected to be outstanding. The risk-free rate is based on zero coupon government bonds with a remaining term equal to the expected life of the warrants.

13.3 Options

The Company has established a stock option plan for directors, employees, and consultants. Under the Company's stock option plan, the exercise price of each option is determined by the Board. The aggregate number of common shares issuable pursuant to options granted under the plan is 10,000,000 common shares. The board of directors has the exclusive power over the granting of options and their vesting and cancellation provisions.

In the event of a change of control, unless otherwise specified in the stock option agreement for a particular grant, any right to repurchase an optionee’s shares at the original exercise price shall lapse and all such shares shall become vested if such change of control occurs during the optionee’s term of service and the repurchase right is not assigned to the entity immediately after the change of control.

On May 12, 2017, 2,725,000 options with an exercise price of $0.90 (C$1.17) and expiring on the date that is ten years from the date of issuance were granted to employees and consultants with a weighted average fair value of options granted of $0.65 (C$0.85) using the Black-Scholes Option Pricing Model. Options granted vest over a period of two years on a quarterly basis.

The Company recognized share-based compensation expense of $913,055 during the period for the value of stock options earned. The weighted average fair value of each option that vested in 2017 is $0.64 (C$0.84).

In 2017, 715,000 options were forfeited as employees left the Company and $106,130 was transferred to the deficit.

Expressed in US dollars

The following is a summary of the changes in the Company's stock option plan for the year ending December 31, 2017.

Options outstanding

	Period ended December 31, 2017		*Period ended December 31, 2016*	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding, beginning of period	-	$ -	-	$ -
Granted	2,725,000	$ 0.90	-	$ -
Exercised	-	$ -	-	$ -
Forfeited	(715,000)	$ 0.90	-	$ -
Outstanding, end of period	2,010,000	$ 0.90	-	

The following table summarizes information regarding stock options outstanding by exercise price and number of options exercisable as at December 31, 2017:

Options outstanding by exercise price

	Number of options outstanding	**Number of options exercisable**	**Weighted average life (years)**	**Weighted average exercise price**
$ 0.90	2,010,000	752,500	9.1	$ 0.90
Total options outstanding	2,010,000	752,500	9.1	$ 0.90

The assumptions used for the calculation of the fair market value of the options are:

Black-Scholes assumptions for options

	For the periods ended	
	December 31, 2017	***December 31, 2016***
Risk free rate	1.57%	NA
Expected life	10 years	NA
Expected volatility	70%	NA
Expected dividend per share	Nil	NA
Share price	$0.86	NA

Expressed in US dollars

Volatility is calculated by using the historical volatility of other companies that the Company considers comparable that have trading and volatility history prior to the Company becoming public. The expected life in years represents the time that the options granted are expected to be outstanding. The risk-free rate is based on zero coupon government bonds with a remaining term equal to the expected life of the options.

14. Other loans

Other loans

		December 31, 2017	*December 31, 2016*
		US$	*US$*
AV Oregon LLC		**750,000**	-
Shareholder loans	Note 11	**1,543,744**	-
Total other loans		**2,293,744**	**-**

The Company has a senior secured promissory note outstanding issued to AV Oregon, LLC dated October 10, 2017 in the original principal amount of $750,000 (the “AV note”), which it issued pursuant to a loan agreement dated October 10, 2017 between the Company and AV Oregon, LLC, as successor to Archytas Ventures, LLC (the “AV loan agreement”). The loan was extended on January 18, 2018 with no change of the terms under the amendment. The loan bears interest at 15% per annum, is secured against the assets of the Company, is payable on January 11, 2018 and has 100% warrant coverage with $750,000 of warrants issued, exercisable at $0.90 for a period of two years (Note 13.2). In the event of default, the interest payable on the outstanding balance would increase to 40% per annum.

On January 18, 2018, the loan agreement dated October 10, 2017 between AV Oregon LLC and the Company and the related promissory note, issued by the Company to AV Oregon, were amended to waive the interest accrued at the default rate as a result of the Company’s non-payment at the maturity of the loan and to extend the maturity date to December 28, 2018, under the condition that the Company make payments equal to $35,156 by June 1, 2018. The amendment also introduced a new event of default, being the termination of the May 8, 2018 binding letter of intent with Apogee Opportunities, Inc. or the listing transaction described therein (see Note 19).

The Company owed $1,543,744 to employees and directors. The outstanding amounts bear interest of 12% - 24% per annum. On June 30, 2018 these amounts were settled with convertible promissory notes. See Note 19. Interest is computed monthly and, at the Company’s discretion, may be accrued or paid monthly.

15. Capital management

Expressed in US dollars

Capital structure

	December 31, 2017	*December 31, 2016*
	US$	*US$*
Shareholders' equity (deficiency)	**625,936**	(169,265)
Convertible debentures and other loans	**5,797,792**	1,002,240

The Company's objectives for managing capital are: (i) to maintain a flexible capital structure which optimizes the cost/risk equation; and (ii) to manage capital in a manner which maximizes the interests of shareholders. The Company considers capital as the total equity disclosed on the statement of financial position. The Company has not had any significant objections in its approach to managing capital in 2017 and 2016.

The Company manages the capital structure and makes adjustments informed by changes in economic conditions and the risk characteristics of the underlying assets. The Company's capital structure is managed in conjunction with the financial needs of the day-to-day operations. The Company currently funds the working capital requirements out of its cash, internally-generated cash flows, various loans, and periodic private placement advances and equity financings.

Management does not establish quantitative return on capital criteria. However, management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is appropriate. At December 31, 2017 and 2016, the Company is not subject to any externally imposed capital requirements.

16. Financial instruments

16.1 Fair value of financial instruments

Financial instruments that are measured at fair value use inputs which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level Two includes inputs that are observable other than quoted prices included in Level One;
- Level Three includes inputs that are not based on observable market data.

The Company has designated its cash as FVTPL. The fair value of the embedded derivative liability, options, warrants and the fair value of convertible promissory notes at the time of issue are determined using level two of the hierarchy.

At December 31, 2017, both the carrying and fair value amounts of all the Company's financial instruments

Expressed in US dollars

are approximately equivalent.

16.2 Financial instrument risk exposures

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, accounts receivable and notes receivable. The Company's credit risk is primarily attributable to its accounts receivables. The amounts disclosed in the statement of financial position are net of allowance for doubtful accounts, estimated by the management of the Company based on its assessment of the current economic environment. The Company does not have significant exposure to any individual customer and has estimated an allowance for doubtful accounts of $8,553 (2016 - $5,241). The Company's maximum exposure to credit risk as at December 31, 2017 is the carrying value of cash, accounts receivable, and notes receivable which may not be collectable.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities. As at December 31, 2017, the Company had current assets of $4,838,667 compared to current liabilities of $8,787,866. All amounts in current liabilities are due within one year.

Financial liabilities - December 31, 2017

	Carrying value US$	1 - 30 days US$	30 - 60 days US$	60 - 90 days US$	> 90 days US$
Accounts payable and accrued liabilities	2,393,283	759,169	440,236	198,822	995,056
Convertible debentures and other loans	5,797,792	945,415	112,711	15,288	4,724,378
Carrying value	8,191,075	1,704,584	552,947	214,110	5,719,434

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

Interest rate risk

Interest rate risk consists of a) the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities. The Company is not exposed to interest rate price risk, as its convertible notes are carried at a fixed interest rate throughout their term.

Foreign currency risk

Foreign currency risk derives from fluctuations in exchange rates between currencies when transacting business in multiple currencies. The Company's business is substantially all conducted in US dollars and so it is not subject to any significant foreign currency risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

17. Taxation

Income tax

Periods ended:	***December 31, 2017 US$***	***December 31, 2016 US$***
Net loss before income taxes	**(8,304,830)**	(17,178)
Expected income tax benefit at the rate of 34%	**(2,862,000)**	(6,000)
Impact of non-deductible expenses	**3,224,328**	289,134
Income tax expenses	**362,328**	283,134
Income tax expense is comprised of the following:		
Current	**322,328**	283,134
Deferred	**40,000**	-

The Company has approximately $8 million of unused state tax losses in Oregon that may be applied to reduce certain taxable income in certain circumstances. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

A deferred tax liability of $100,000 was recorded as part of the convertible debenture conversion option as described in Note 12 with the expense allocated to the equity portion of the convertible debenture.

The Company reconciles the expected income tax expense at the average US statutory income tax rate of 34% (2016: 33%) to the amount recognized in the statement of operations.

The Company's US income is apportioned exclusively to the State of Oregon. The production and sale of marijuana and related products for medical purposes is legal in the State of Oregon and therefore normal

Expressed in US dollars

business expenses are deductible at the state level. The tax rate in the State of Oregon is the greater of 6.6% or the corporate gross receipts minimum tax. In 2017 and 2016, the Oregon state tax liability was computed as the minimum tax.

Internal Revenue Code ("IRC") Section 280E denies, at the US federal level, deductions and credits attributable to a trade or business trafficking in controlled substances. Case law shows that "cost of goods sold" has been permitted as a deduction in determining taxable income. Because the Company is subject to IRC Section 280E, the Company has computed its US tax based on gross receipts less cost of goods sold. The tax provisions for 2017 and 2016 have been prepared based on the assumption "cost of goods sold" is a valid expense for income tax purposes.

18. Commitments and contingencies

The Company has commitments under operating leases for its facilities. The amounts are as follows:

Commitments

	Amount due US$
2018	418,723
2019	415,123
2020	415,123
2021	175,517
2022	18,224

The Company has entered into various independent contractor agreements with consultants which include termination clauses upon 30 days' notice. The maximum amount payable under these contracts is approximately $40,000. As no triggering event has taken place, the contingent payments have not been reflected in these financial statements.

On July 12, 2017, the Company entered into an agreement for ongoing financial advisory services. If during the term of the engagement or within 12 months following termination of the agreement, a transaction is completed, or the Company announces, or enters into an agreement in respect of, a transaction that is subsequently completed, the Company will pay a transaction fee of 2% - 4% of the value of the transaction. Any contingency payment has not been included in these financial statements as a triggering event, binding the Company, has not taken place. See Note 19, regarding the proposed transaction with Apogee Opportunities Inc.

The Company holds processing, cultivation and wholesaling licenses issued by the Oregon Liquor Control Commission ("OLCC"). While the Company has implemented a system of policies and procedures to help ensure compliance with the laws and regulations that govern the Recreational Marijuana Program, the Company was recently sanctioned and fined by the OLCC for regulatory violations. The OLCC imposed a fine of $6,930

because of such violations. On March 20, 2018, the Company accepted responsibility to pay the fine and reiterated to the OLCC the Company's commitment to ongoing regulatory compliance. While the investigation is now concluded, and the Company has remedied the violations identified by the OLCC, the Company may be subject to additional regulatory investigations in the future. Any future instances or allegations of regulatory non-compliance could lead to more significant fines or sanctions, including potential loss of licenses, particularly considering the previous findings of non-compliance by the OLCC. Management believes the Company is currently in compliance with Oregon state law and OLCC licensing requirements (see Note 2 for more information).

The Company is party to legal proceedings and other claims in the ordinary course of its operations. Litigation and other claims are subject to many uncertainties and the outcome of individual matters is not predictable. Where management can estimate that there is a loss probable, a provision has been recorded in its financial statements. Where proceedings are at a premature stage or the ultimate outcome is not determinable, no provision is recorded. It is possible that the final resolution of these matters may require the Company to make expenditures in a range of amounts that cannot be reasonably estimated and may differ significantly from any amounts recorded in these consolidated financial statements. Should the Company be unsuccessful in its defense or settlement of one or more of these legal actions, there could be a materially adverse effect on the Company's financial position, future expectations, and cash flows.

19. Subsequent events

Subsequent to December 31, 2017, the Company issued convertible promissory notes with the principal amount of $1,679,900, in connection with a Note Purchase and Loan Agreement dated January 18, 2018. Unless and until converted, these instruments bear interest at rates of 28% percent per annum. Interest on these debentures is computed monthly and, at the Company's discretion, may be accrued or paid monthly. In the event the Company consummates a qualifying equity financing prior to the maturity date on April 14, 2018, the outstanding principal and any accrued and unpaid interest under this issuance will automatically convert into common shares at a price per share equal to $0.10 (C$0.13).

On May 14, 2018, the Company entered into a Letter of Intent with Apogee Opportunities, Inc. ("Apogee") regarding a proposed business combination between Apogee and the Company, and the subsequent listing of the shares of the resulting issuer on a recognized Canadian stock exchange (the "Listing Transaction"). The transaction will be realized through a three-way amalgamation whereby ANM merges with a subsidiary of Apogee. Each shareholder in ANM is expected to receive 1.35 shares of Apogee once the Listing Transaction is realized. All ANM securities will be converted to Apogee securities at the ratio of 1.35. In connection with the Listing Transaction, Apogee and the Company have entered into an engagement letter with Canaccord Genuity Corp. and Clarus Securities to act as the co-lead managers and bookrunners in connection with a private placement financing (the "Apogee Private Placement") for aggregate gross proceeds of approximately C$8,000,000 in subscription receipts and special units. Upon the satisfaction of the RTO closing conditions, the purchase price for the subscription receipts and special units will be released from escrow to Apogee, and each subscriber will receive one common share of Apogee (a "Resulting Issuer Share") and one common share purchase warrant of Apogee exercisable at a price of C$0.80 per share and expiring on December 31, 2020 (a "Resulting Issuer Warrant"). ANM shareholders will hold 71.7% of the business combination.

In conjunction with the Apogee offering, the Company announced the issuance of approximately $10 million of Notes (the Pre-RTO Notes) in one or more closings, which will occur upon approval of the applicable note purchasers as "financial interest" holders of the Company by the Oregon Liquor Control Commission (the "OLCC"). Principal, plus accrued and unpaid interest accruing at 10% per annum, under the Pre-RTO Notes will automatically convert upon satisfaction of the RTO closing conditions into units consisting of 0.7407 shares of common stock of the Company and warrants to purchase 0.7407 shares of common stock of the Company at a conversion price equal to the price per unit paid by the subscribers in the Apogee private placement. Upon closing of the Listing Transaction, the shares and warrants included in each pre-listing Unit will be exchanged into one Resulting Issuer Share and one Resulting Issuer Warrant. Each warrant is exercisable at a price of C$0.80 per share until December 31, 2020. As of August 8, 2018, a total of $9.6 million was raised in escrow. Upon closing of the purchase of the Pre-RTO notes, the Company will also issue to the purchaser an additional warrant for each C$0.40 paid by such purchaser ("Additional Warrants"). Assuming the consummation of the listing transaction, each Additional Warrant will entitle the holder to purchase on Resulting Issuer Share at a price of C$0.50 until May 30, 2020. If the Pre-RTO notes have not yet converted as described above, the principal and accrued interest on the notes will be due and payable on the earlier of (a) December 28, 2018, or (b) a change of control of the Company. The agents may be entitled to a commission on conversions of the Pre-RTO Notes, to consist of a cash commission equal to 1% of the dollar amounts converted into Resulting Issuer Common Shares and Warrants, as well as a 1% warrant commission in Resulting Issuer Warrant exercisable at CAD$0.80 for each CDN$0.40 of Pre-RTO Notes converted into Resulting Issuer Common Shares and Warrants. The actual number of Resulting Issuer Warrants issuable to the Agents under this arrangement is subject to negotiation prior to the completion of the Transaction.

On May 15, 2018 the Board approved the grant of 6,218,895 shares of common stock (Restricted Stock Units or "RSU's") under the Stock Incentive Plan for services provided or to be provided to the Company by employees, executives and directors. The RSU's granted to management are subject to the successful completion of the Listing Transaction.

On May 15, 2018 the Board approved a grant of 775,000 share purchase warrants to lenders and service providers. 675,000 warrants have an exercise price of $0.23 ($0.30) with expiration date May 13, 2021 and 100,000 warrants have an exercise price of $0.80 (C$1.01) and an expiration date of May 13, 2023.

On June 30, 2018, the Company, entered an agreement to a termination of certain of the intangibles acquired in 2017 (Note 12). Pursuant to a letter agreement dated effective June 30, 2018, the Company, Elemental Concepts, LLC and Compass Point, LLC agreed to amend the promissory notes to each, to a restated principal amount of US$479,500. The maturity date is the earlier of (a) the consummation of the proposed business combination transaction between or involving Apogee and the Company or (b) December 28, 2018. This aggregate amount was subsequently reduced from $1.9 million to $959,500 effective 30, 2018.

Dated June 30, 2018, the Company announced the issuance of convertible promissory notes to certain related parties in exchange for prior cash advances and deferred compensation (See Note 13, shareholder loans). The notes will convert into Pre-RTO units, which were issued in conjunction with the Apogee offering (see above) at a conversion price of $0.18 (C$0.240) per unit.

On July 9, 2018 the Company signed a membership interest contribution agreement with Elemental Concepts, LLC and Compass Point, LLC, the members of Industrial Court L9, LLC ("L9"). The Company will issue convertible promissory notes in the aggregate principle amount of $2 million as well as common share purchase warrants of ANM for the purchase of the L9 interests, which includes two pending licenses for manufacturing and distribution in Cathedral City, California.

On July 19, 2018 the Company signed a binding term sheet with Just Quality, LLC for the purchase of a Nevada marijuana product manufacturing license, a medical marijuana cultivation establishment certificate, a Nevada marijuana cultivation facility license and a Nevada marijuana distribution license, together with all the assets used in the operation of the businesses operating under or in connection with the licenses. The purchase price is $4.9 million.

Schedule "L"
HALO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

[Please see attached]

ANM, INC.
Condensed Interim Consolidated Financial Statements

For the three months ending March 31, 2018 and 2017
(Incorporated March 18, 2016)

ANM, INC.

Condensed Interim Consolidated Financial Statements
For the three months ending March 31, 2018 and 2016
(Incorporated March 18, 2016)
Expressed in US dollars
(Unaudited)

ANM, Inc.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

		March 31, 2018 US$	*December 31, 2017 US$*
Assets			
Current			
Cash		**236,002**	144,255
Accounts receivable	Note 5	**346,842**	381,402
Inventory	Note 6, 7	**3,616,177**	3,636,117
Notes receivable	Note 8	**510,838**	510,837
Pre-paid expenses and other		**258,146**	166,056
Total current assets		**4,968,005**	4,838,667
Long-term			
Property, plant and equipment	Note 9	**2,416,162**	2,444,692
Intangibles	Note 10	**2,130,444**	2,130,444
Total long-term assets		**4,546,606**	4,575,136
Total assets		**9,514,611**	9,413,803
Liabilities			
Current			
Accounts payable and accrued liabilities		**2,649,681**	2,393,283
Convertible debentures	Note 12	**3,621,024**	3,504,048
Other loans	Note 14	**3,520,585**	2,293,744
Income tax payable	Note 17	**402,328**	322,328
Deferred tax liability		**140,000**	140,000
Embedded derivative liability	Note 12	**-**	134,463
Total current liabilities		**10,333,619**	8,787,866
Shareholders' equity (deficiency)			
Share capital	Note 13	**5,485,836**	5,443,337
Warrant and option reserve	Note 13	**3,901,447**	3,724,835
Convertible debenture conversion option	Note 14	**199,028**	150,193
Deficit		**(10,405,319)**	(8,692,428)
Total shareholders' equity (deficiency)		**(819,008)**	625,936
Total shareholders' equity (deficiency) & liabilities		**9,514,611**	9,413,803

Going concern Note 2

Commitments and contingencies Note 12, 14, 18

Subsequent events Note 19

Approved on behalf of the Board of Directors:

Kiran Sidhu	Philip van den Berg
CEO and Director	Director

ANM, Inc.

Condensed Interim Consolidated Statements of Operations & Comprehensive Loss

(Unaudited)

		March 31, 2018 US$	***March 31, 2017 US$***
Sales		**2,168,976**	2,525,158
Total Cost of Goods Sold	Note 6, 9	**2,183,569**	1,458,446
Gross profit (loss)		**(14,593)**	1,066,712
Operating expenses			
General and administration		**382,911**	299,254
Salaries		**160,872**	120,252
Professional fees		**314,010**	277,605
Sales and marketing		**260,466**	371,415
Investor relations		**68,235**	-
Share based compensation	Note 13	**269,346**	-
Total operating expenses		**1,455,840**	1,068,526
Loss before undernoted items		**(1,470,433)**	(1,814)
Accretion expense		**191,865**	146,472
Change in fair value of embedded derivative	Note 12	**(134,463)**	(218,339)
Interest expense		**209,997**	29,264
Loss before income taxes		**(1,737,832)**	40,789
Income tax expense	Note 17	**81,161**	312,000
Net loss and comprehensive loss		**(1,818,993)**	(271,211)
Net loss per share, basic and diluted:		**$(0.09)**	$(0.02)
Weighted average number of outstanding common shares, basic and diluted:		**20,347,484**	15,824,946

ANM Inc.

Condensed Interim Statements of Change in Shareholders' Equity

Expressed in US Dollars

(Unaudited)

		Common shares	Common shares $	Options $	Warrants $	Convertible debenture conversion option 4	Deficit $	Total $
Shareholders equity (deficiency) December 31, 2016		**15,385,625**	**131,047**	**-**	**-**	**-**	**(300,312)**	**(169,265)**
Convertible debt converted into shares	Note 13	1,527,611	1,176,260	-	-	-	-	**1,176,260**
Shares issued in private placements	Note 13	2,660,207	2,280,063	-	-	-	-	**2,280,063**
Share issue costs		-	(89,228)	-	-	-	-	**(89,228)**
Common shares repurchased and cancelled		(1,900,000)	(16,183)	-	-	-	-	**(16,183)**
Net income / (loss)		-	-	-	-	-	(271,212)	**(271,212)**
						-		
Shareholders equity (deficiency) March 31, 2017		**17,673,443**	**3,481,960**	**-**	**-**	**-**	**(571,524)**	**2,910,436**

		Common shares	Common shares $	Options $	Warrants $	Convertible debenture conversion option $	Deficit $	Total $
Shareholders equity (deficiency) December 31, 2017		**20,347,484**	**5,443,337**	**806,926**	**2,917,909**	**150,193**	**(8,692,428)**	**625,936**
Shares issued in private placements	Note 13	-	42,499	-	-	-	-	**42,499**
Share-based compensation	Note 13	-	-	112,933	151,547	-	-	**264,480**
Share-based payments issued for services	Note 13	-	-	-	18,234	-	-	**18,234**
Forfeitures of options and warrants	Note 13	-	-	(106,103)	-	-	106,102	**-**
Conversion options on convertible debt	Note 12	-	-	-	-	48,835	-	**48,835**
Net income / (loss)		-	-	-	-	-	(1,818,993)	**(1,818,993)**
Shareholders equity (deficiency) March 31, 2018		**20,347,484**	**5,485,836**	**813,756**	**3,087,691**	**199,028**	**(10,405,319)**	**(819,008)**

ANM, Inc.
Condensed Interim Consolidated Statements of Cash Flow
(Unaudited)

		March 31, 2018 US$	*March 31, 2017 US$*
Cash provided by (used in)			
Operating activities:			
Net comprehensive loss		**(1,818,993)**	(271,211)
Items not involving cash			
Depreciation	Note 9	**103,827**	183,677
Accrued interest		**209,997**	29,264
Accretion expense		**191,865**	146,472
Change in the fair value of embedded derivative	Note 12	**(134,463)**	(218,339)
Share-based compensation	Note 13	**287,581**	-
Changes in working capital items			
Accounts receivable	Note 5	**34,559**	451,787
Notes receivable		**(2)**	77,781
Accounts payable and accrued liabilities		**256,398**	(381,600)
Income tax payable	Note 17	**79,820**	312,000
Inventory	Note 6, 7	**19,941**	(1,300,491)
Pre-paid expenses and other		**(92,090)**	(21,274)
Cash used in operating activities		**(861,560)**	(991,933)
Investing activities			
Purchase of property, plant and equipment	Note 9	**(75,297)**	(643,128)
Cash used in investing activities		**(75,297)**	(643,128)
Financing activities			
Issuance of convertible debentures	Note 12	**-**	(1,177,976)
Increase in loans	Note 14	**1,028,604**	65,000
Issuance of common shares net of issuance costs	Note 13	**-**	3,420,019
Cash raised in finance activities		**1,028,604**	2,307,043
Change in cash in during the period		**91,747**	671,982
Cash, beginning of the period		**144,255**	299,453
Cash end of the period		**236,002**	971,435

Supplemental information:
2016 convertible loan was converted into $1,177,670 of share capital on March 22, 2017

1. Nature of operations and background information

ANM, Inc. ("ANM" or the "Company") was incorporated under the laws of the state of Oregon in the United States of America ("USA" or "US") on March 18, 2016. The Company operates under the assumed business names Hush Canna and Halo Labs. The Company's business operations entail processing and distributing cannabis products for recreational use in the state of Oregon. The Company's corporate office and its principal place of business is 130 West Clark Street, Medford, Oregon, USA 97501.

These consolidated financial statements present the financial position of the Company at March 31, 2018 and December 31, 2017 and its financial performance and its cash flows for the periods ending March 31, 2018 and March 31, 2017. All amounts in these financial statements have been presented in US dollars and indicated as "$".

2. Going concern

These financial statements have been prepared using IFRS applicable to a going concern, which assume that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on generating profitable operations, raising additional financing, and continuing to manufacture its products. Having been prepared giving effect to the going concern assumption, these financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

Historically, management has been successful in obtaining sufficient funding for operating and capital requirements. There is, however, no assurance that the Company will continue to generate profits from operation or that additional future funding will be available to the Company, or that such funding will be both adequate to cover its obligations and available on terms which are acceptable to the management of the Company.

As at March 31, 2018 the Company had continued losses, an accumulated deficit and a working capital deficiency. These items represent material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern. See note 19 for subsequent events.

In the United States, 30 states, the District of Columbia, and the U.S. territories of Guam and Puerto Rico allow the use of medical cannabis. Alaska, California, Colorado, Maine, Massachusetts, Nevada, Oregon, and the District of British Columbia legalized the sale and adult-use of recreational cannabis.

At the federal level, however, cannabis currently remains a Schedule I controlled substance under the Federal Controlled Substances Act of 1970 ("Federal CSA"). Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. As such, even in those states in which marijuana is legalized under state law, the manufacture, importation, possession, use or distribution of cannabis remains illegal under U.S. federal law. This has created a dichotomy between state and federal law, whereby many states have

elected to regulate and remove state-level penalties regarding a substance which is still illegal at the federal level.

There remains uncertainty with regard to the US federal government's position on cannabis with respect to cannabis-legal states. A change in its enforcement policies could impact the ability of the Company to continue as a going concern.

3. Basis of preparation

3.1 Basis of presentation and statement of compliance

The accounting standard IAS 34 sets out the minimum content of an interim financial report and the principles for recognition and measurement in complete or condensed financial statements for an interim period. IAS 34 *Interim Financial Reporting* applies when an entity prepares an interim financial report, without mandating when an entity should prepare such a report. Permitting less information to be reported than in annual financial statements (on the basis of providing an update to those financial statements), the standard outlines the recognition, measurement and disclosure requirements for interim reports.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set forth below. The consolidated financial statements are presented in US dollars. Currently, US dollars serve as both the Company's functional and reporting currency.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been approved by the Company's Board of Directors on August 8, 2018.The financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value, as explained in the accounting policies in Note 4.

Equity interests

	March 31, 2018	***December 31, 2017***
PSG Coastal Harvest LLC	**100%**	100%
Coastal Harvest LLC	**100%**	100%
East Evans Creek LLC	**100%**	100%

These consolidated financial statements are comprised of the financial results of the Company and its subsidiaries, which are the entities over which the Company has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Non-controlling interests in the equity of the Company's

subsidiaries are shown separately in equity in the consolidated statements of financial position. The table below lists the Company's subsidiaries that are consolidated in these financial statements and the ownership interest held by non-controlling interests.

3.2 Critical judgements and estimations uncertainties

The preparation of the consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Assets carrying values and impairment charge

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make decisions based on the best available information at each reporting period.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made. See note 17.

Allowance for doubtful accounts

The Company makes an assessment of whether accounts receivable are collectible from customers. Accordingly, an allowance is established for estimated losses arising from non-payment and other sales adjustments, taking into consideration customer credit-worthiness, current economic trends and past experiences. If future collections differ from estimates, future earnings would be affected.

Share-based payment transactions and warrants

The Company measures the cost of equity-settled transactions with employees and directors by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share- based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield of the share option and forfeiture rate. Similar calculations are made in order to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

To calculate the share-based compensation expense related to key employee performance milestones associated with the terms of an acquisition, the Company must estimate the number of shares that will be earned and when they will be issued based on estimated discounted probabilities.

Fair value of financial instruments

Certain of the Company's assets and liabilities are measured at fair value. In estimating fair value, the Company uses market-observable data to the extend it is available. In certain cases where Level 1 inputs are not available the Company will engage third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair value of biological assets is disclosed in Note 7.

Intangible assets

Purchased intangible assets are recognized as assets in accordance with IAS 38, *Intangible Assets,* where it is probable that the use of the asset will generate future economic benefits and where the cost of the asset can be determined reliably. Intangible assets acquired are initially recognized at cost of purchase and are subsequently carried at cost less accumulated amortization, if applicable, and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Licenses and trade names have an indefinite useful life and are tested for impairment annually.

Impairment of non-financial assets

Non-financial assets include PPE and intangible assets. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted

cash flow model. The recoverable amount is most sensitive to the discount rate and royalty rate.

Inventory

In calculating the value of the biological assets and inventory, management is required to make a number of estimates, including estimating the stage of growth of the cannabis up to the point of harvest, harvesting costs, average or expected selling prices and list prices, expected yields for the cannabis plants, and oil conversion factors. In calculating final inventory values, management compares the inventory costs to estimated realizable value. Further information on estimates used in determining the fair value of biological assets is contained in Note 4.4.

Useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease non-current assets.

Contingencies

Refer to Notes 2 and 18.

3.3 New standards and interpretations to be adopted in future periods

At the date of authorization of these financial statements, the IASB and IFRS Interpretations Committee (IFRIC) have issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted. However, the Company is currently assessing what impact the application of these standards or amendments will have on the financial statements.

IFRS 9 “Financial Instruments” was issued in final form in July 2014 by the IASB and will replace IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing

the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of interest to non- financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers. In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 specifies how and when to recognize revenue as well as requiring entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and several revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 must be applied in an entity's first annual IFRS financial statements for periods beginning on or after January 1, 2018.

IFRS 16 - Leases replaces IAS 17, Leases. The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a "right-of- use asset" with exception for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within the operating and financing activities for the interest and principal portions, respectively. IFRS 16 is effective for annual period beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, Revenue of Contracts with Customers, is also applied. The Company has yet to evaluate the impact of this new standard.

IFRS 23 – Uncertainty over income tax treatments. In June 2017 the IASB issued IFRIC 23, "Uncertainty over income tax treatments ("IFRIC 23"), to clarify the accounting of uncertainties in income taxes. The interpretation provides guidance and clarifies the application of recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning January 1, 2019. The Company is currently assessing the impact of IFRIC 23 on its consolidated financial statements.

4. Summary of significant accounting policies

For a summary of significant accounting policies, we refer to the annual consolidated financial statements for the year ending December 31, 2017.

Expressed in US dollars

5. Accounts receivable

Accounts receivable

	March 31, 2018	*December 31, 2017*
	US$	*US$*
1 - 30 days	**225,075**	335,535
30 - 60 days	**19,085**	28,387
60 - 90 days	**97,638**	-
> 90 days	**5,044**	17,480
Total	**346,842**	381,402

Accounts receivable are measured at amortized cost net of allowance for uncollectible amounts. The Company determines its allowance based on a number of factors, including length of time an account is past due, the customer's previous loss history, and the ability of the customer to pay its obligation to the Company. The Company writes off receivables when they become uncollectible.

Accounts receivable

	March 31, 2018	*December 31, 2017*
	US$	*US$*
Accounts receivable		
Accounts receivable - trade	**355,396**	389,956
Allowance for doubtful accounts	**(8,554)**	(8,554)
Accounts receivable - other	**-**	-
Total accounts receivable	**346,842**	381,402
Continuity of allowance for doubtful accounts		
Beginning balance	**(8,554)**	(5,241)
Increase in provision for doubtful accounts	**(10,704)**	(14,015)
Provision used to write-off receivables	**10,704**	10,702
Ending balance	**(8,554)**	(8,554)

Bad debt expense amounts are included in general and administration expenses. All the Company's trade and other receivables have been reviewed for indicators of impairment.

6. Inventory

The Company maintains three classes of inventory: raw materials, work in process ("WIP") and finished goods. Raw materials consist of cannabis "trim" and various packaging and incidental items. WIP consists primarily of inventory in the process of being converted from trim to oil. Finished goods inventory includes cannabis oil in cartridges, batteries for vaporizer pen cartridges, and packages of solidified cannabis oil ("shatter").

Expressed in US dollars

Inventory by class

	March 31, 2018	*December 31, 2017*
	US$	*US$*
Raw materials	**1,063,802**	981,945
Work in progress	**1,129,325**	895,165
Finished goods	**1,423,050**	1,759,007
Total	**3,616,177**	3,636,117

The Company allocates various production and overhead costs and expenses to inventory items. As such, the cost of inventory is recognized as an expense, and included in cost of goods sold for the period ended March 31, 2018, in the amount of $923,989 (March 31, 2017: $661,952). Direct product cost are valued on a FIFO basis (First in first out) and the major production cost such as labor and testing are on a proportional basis, allocating the costs relating to goods sold to cost of goods sold and the share of costs of unsold inventory is added to inventory.

7. Biological assets

The Company's biological assets consist of cannabis plants. The Company leases four acres for its cultivation. The grow cycle is twelve weeks and the plants are harvested in the final quarter of the year. There was no crop in the three months ended March 31, 2018. As at March 31, 2018 the carrying value of the biological assets was $0.

Biological assets

	March 31, 2018	*December 31, 2017*
	US$	*US$*
Balance December 31,2017	**-**	-
Acquisition of biological assets	**-**	1,016,172
Gain / (loss) on fair value biological assets	**-**	742,630
Transferred to inventory upon harvest	**-**	(1,758,802)
Ending balance	**-**	-

8. Notes receivable

Notes receivable are due from a founding shareholder of the Company in the amounts of $15,081 and $2,551 (December 31, 2017: $15,081 and $2,551 respectively). In addition is the note receivable from Emerald Green Gardens Inc., a supplier to the Company in the amount of $493,204 (December 31, 2017: $493,204). The notes are non-interest bearing, unsecured and have no fixed terms for repayment, but they are of short-term nature.

Expressed in US dollars

9. Property, plant and equipment

Property, plant and equipment

	Production equipment US$	Leasehold improvements US$	Office equipment US$	Vehicles US$	Total US$
Cost:					
Balance as at December 31, 2016	282,330	184,688	25,920	32,625	525,563
Additions	1,296,006	1,357,677	10,432	-	2,664,115
Dispositions	(208,987)	-	-	(32,625)	(241,612)
Balance as at December 31, 2017	1,369,349	1,542,365	36,352	-	2,948,066
Additions	12,989	56,808	5,500	-	75,297
Balance as at March 31, 2018	1,382,338	1,599,173	41,852	-	3,023,363
Accumulated depreciation:					
Balance as at December 31, 2016	(29,860)	(1,387)	(1,368)	(1,531)	(34,146)
Depreciation	(413,174)	(52,588)	(4,996)	(2,617)	(473,375)
Dispositions	-	-	-	4,148	4,148
Balance as at December 31, 2017	(443,034)	(53,975)	(6,364)	-	(503,373)
Depreciation	(76,570)	(25,867)	(1,390)	-	(103,827)
Balance as at March 31, 2018	(519,604)	(79,842)	(7,754)	-	(607,201)
Net book value December 31, 2017	926,315	1,488,390	29,988	-	2,444,692
Net book value March 31, 2018	862,734	1,519,331	34,097	-	2,416,162

Total depreciation expense for the period ended March 31, 2018, included in COGS was $103,827 (March 31, 2017: $183,677).

10. Intangible assets

The Company has four producer licenses for its wholly owned farm East Evans Creek Farm LLC. The Company also has a wholesale distribution license and a producer license for its production facility in Medford. The licenses are renewed each year. They are valued at their cost of $23,663 and expensed.

On June 20, 2017, the Company signed a Membership Interest Purchase Agreement for the purchase by the Company (through a holding company) of a volatile extraction license for Cathedral City, California. The transaction has been recorded as an asset acquisition. The purchase price of the license is $2.0 million. The license is renewed each year. The payment was effected by a $100,000 cash down payment and the issuance of convertible promissory notes for the balance of $1.9 million (Note 12). The value of the consideration paid in

Expressed in US dollars

addition to transaction costs of $163,069 were attributed to the intangibles in the amount of $2,129,219 and to prepaid expenses in the amount of $33,850 for certain lease deposits acquired in the same transaction.

Intangibles

	License US$	Brand names US$	Total US$
Cost:			
Balance as at December 31, 2016	-	-	-
Additions	2,129,219	1,225	2,130,444
Impairment	-	-	-
Balance as at December 31, 2017	2,129,219	1,225	2,130,444
Additions	-	-	-
Impairment	-	-	-
Balance as at March 31, 2018	2,129,219	1,225	2,130,444
Accumulated amortization:			
Balance as at December 31, 2016	-	-	-
Amortization	-	-	-
Balance as at December 31, 2017	-	-	-
Amortization	-	-	-
Balance March 31, 2018	-	-	-
Net book value December 31, 2017	2,129,219	1,225	2,130,444
Net book value March 31, 2018	2,129,219	1,225	2,130,444

11. Related party relationships, transactions and balances

Key employees include the Company's directors, senior officers and any employees with authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

In the three months ending March 31, 2018 remuneration to executives was $69,250 (2017: $48,000).

At the end of March 31, 2018, due from shareholders and related parties is $15,081 (December 31, 2017: $15,081) in relation to a note receivable from a founding shareholder, $2,551 (December 31, 2017: $2,551) to employees and $65,197 in relation to advances made to officers and directors of the Company. The advances are in relation to loans made by officers and directors to the Company. At the end of March 31, 2018, due to shareholders and related parties was $1,320,946 (December 31, 2017: $1,337,065), primarily related to advances to the Company by shareholders, executives and directors (See Note 14 for terms shareholder loans).

Expressed in US dollars

Related parties

	March 31, 2018	*December 31, 2017*
	US$	*US$*
Due from shareholders and other related parties	**17,632**	80,278
Shareholder loans to to directors, officers and their close family	**1,320,946**	1,337,065

Options and warrants were granted on May 12, 2017 to staff, directors and consultants. Options and warrants granted to employees and directors vest over a period of two years every three months in equal amounts. Share-based compensation is recognized on a graded vesting basis and is expensed and included in operations.

Compensation key executives

	March 31, 2018	*March 31, 2017*
	US$	*US$*
Salaries, commissions, bonuses, consulting fees	**69,250**	48,000
Share-based compensation	**103,005**	-
Total	**172,255**	48,000

12. Convertible debentures

Convertible debentures

	March 31, 2018	*December 31, 2017*
	US$	*US$*
Convertible loan 2016	**-**	-
Convertible loan 2017	**1,718,792**	1,681,810
Convertible promissory note	**1,902,232**	1,822,238
Total	**3,621,024**	3,504,048

12.1 Convertible loan 2016

In 2016 the Company issued convertible promissory notes with a face value of $1,115,008. The interest rate was 12% and the notes were convertible at 90% of the price paid by a cash investor in the next equity raise. On March 22, 2017 the convertible debentures issued in 2016 were converted into 1,527,611 common shares. Accrued interest in 2017 until conversion in March 2017, was $29,809. Accrued interest was paid in shares.

Expressed in US dollars

12.2 Convertible loan 2017

Continuity convertible debentures		
Beginning balance December 31, 2016	$	1,002,240
Accretion of loan discount		146,472
Accrued interest 2016 convertible debenture		29,809
Total 2016 convertible debentures converted		(1,178,521)
Convertible debentures issued 2017		1,624,500
Embedded derivative liability at issue		(365,397)
Accretion of loan discount		335,149
Accrued interest		87,558
Balance December 31, 2017	$	1,681,810
Accretion of loan discount		30,248
Accrued interest		6,734
Balance March 31, 2018	$	1,718,792

During the year ended December 31, 2017, the Company issued new convertible debentures in four tranches. The Note Purchase Agreement was dated July 13, 2017. Unless and until converted, these instruments bear interest at the rate of 12% per annum. Interest on these debentures is computed monthly and, at the Company's discretion, may be accrued or paid monthly. In the event the Company consummates a qualifying equity financing, the outstanding principal and any accrued and unpaid interest under this issuance automatically converts into common shares at a price per share equal to 95% of the price per share paid by cash investors in the qualifying equity financing. The discount was amended to 60% of the price paid by cash investors subsequent to December 31, 2017. The conversion feature of the convertible debt is considered an embedded derivative liability because the conversion price varies based on the conversion date and closing sales price of the Company's common shares.

As at March 31, 2018, the embedded derivative liability is classified as a current liability on the statement of financial position and is carried at a fair value of $0 (December 31, 2017: $134,463).

The calculated value of the embedded liability at inception was $365,397 and the residual balance of $1,259,103 was allocated to the debt component of the convertible.

The Black-Scholes option pricing model was used in the period under review with the following assumptions:

- Expected life of the four tranches is 0.03 year;
- Risk-free interest rate 1.66%;

Expressed in US dollars

- Expected dividend yield 0%;
- Expected volatility 70%;
- Share price $0.86

Volatility was estimated by using the historical volatility of publicly traded companies that the Company considers comparable that have trading and volatility history. The expected life in years represents the contractual period of time that the embedded derivatives were expected to be outstanding. The risk-free rate is based on zero coupon Canada government bonds with a remaining term equal to the expected life of the embedded derivatives.

12.3 Convertible promissory note

Coastal Harvest promissory notes		
Promissory notes issued - June 20,2017	$	1,900,000
Value of the equity component net of transaction costs		(250,193)
Accretion of loan discount		162,332
Accrued interest		10,099
Balance December 31, 2017		1,822,238
Accretion of loan discount		75,309
Accrued interest		4,685
Balance March 31, 2018	$	1,902,232

On June 20, 2017, the Company signed a Membership Interest Purchase Agreement among multiple parties. In connection with the agreement the Company issued convertible promissory notes with a face value of $1.9 million.

The convertible promissory notes have been treated as compound financial instruments, as the notes could be settled through the issuance of common shares. The conversion feature has been recognized in equity as it meets the definition of an equity instrument. The liability component was recognized at its fair value, calculated as the present value of its contractually determined future cash flows discounted at a rate of 20%, which is deemed to be a reasonable approximation of the rate applied to instruments having similar terms, credit status and cash flows that do not have a conversion feature. In accordance with IAS 32, the residual amount after deducting the fair value of the liability component from the fair value of the instrument as a whole was assigned to the equity component.

On June 20, 2017, the estimated fair value of the promissory note is $1,649,807. and the fair value of the equity component was $250,193, which was recorded net of deferred tax of $100,000 that has resulted from the taxable temporary difference arising on recognition of the equity component separately from the

Expressed in US dollars

liability component. At March 31, 2018 the carrying value of the promissory note is $1,902,217 (December 31, 2017: $1,822,238).

The convertible promissory notes matured on April 15, 2018, but were extended (See Note 19). The notes are secured against the Company's interest in Coastal Harvest LLC and bear interest of 1% per annum. The notes are convertible at any time after December 2, 2017 and up until fifteen days prior to the maturity date at a conversion price of $0.86 per note.

13. Share capital

13.1 Share capital

Share capital consists of two classes of shares. On June 30, 2017, the shareholders of the Company approved an increase in the number of authorized common shares to 80,000,000 common shares from 20,000,000 common shares. The Company is authorized to issue the following shares:

Authorized shares

Class	*March 31, 2018*	*March 31, 2017*
Common shares, no par value	**80,000,000**	20,000,000
Preferred, no par value	**5,000,000**	5,000,000

At March 31, 2018 the Company had 20,347,484 (December 31, 2017: 20,347,484) shares of common stock outstanding and no outstanding shares of preferred stock. The following table reflects the continuity of common shares from March 18, 2016 to March 31, 2018. Common shares were issued for cash through private placements, settlement of debts and conversion of convertible debt. Common shares were also redeemed and cancelled.

In the three months ended March 31, 2018 there were no common shares issued. The increase in share capital follows from accretion expenses credited to share capital in relation of the issuance of restricted shares during the three months ended March 31, 2018. The following table reflects the continuity of common shares from March 18, 2016 to March 31, 2018.

Expressed in US dollars

Continuity of common shares for the period

	Shares	Amount US $
Opening balance March 18, 2016	-	-
Common shares issued to founders for cash	7,308,125	73,081
Common shares issued to founders for assets purchased	8,077,500	61,775
Share issuance costs	-	(3,810)
Balance December 31, 2016	15,385,625	131,046
Common shares issued	6,920,195	5,501,699
Common shares cancelled	(1,958,336)	(32,229)
Share issuance costs	-	(157,179)
Balance December 31, 2017	20,347,484	5,443,337
Common shares issued	-	42,499
Share issuance costs	-	-
Balance March 31, 2018	20,347,484	5,485,836

13.2 Share purchase warrants

Warrants outstanding at December 31, 2017

Grant date	Expiry date	Number of warrants outstanding	Number of warrants exercisable		Exercise price
12-May-17	11-May-27	4,935,000	4,118,932	$	0.90
12-Jul-17	11-Jul-19	350,000	175,000	$	0.90
10-Oct-17	09-Oct-19	833,333	833,333	$	0.90
		6,118,333	5,127,265	$	0.90

During 2017, 6,768,333 warrants were granted. 5,585,000 warrants having a life of 10 years were granted to employees and directors on May 12, 2017. Of these, 2,650,000 vested immediately and the remainder vest on a quarterly basis over a period of two years with the first tranche vesting on grant. In the year ended December 31, 2017, 650,000 of these warrants were forfeited.

On July 12, 2017, 350,000 warrants exercisable until the date that is two year from the date of issuance were granted to a service provider. These vest quarterly over a period of one year beginning from the date that is three months after issuance.

On October 10, 2017, 833,333 warrants were granted to a lender to the Company. These warrants vest immediately and may be exercised up until the date that is two years from the grant date.

Expressed in US dollars

The exercise price of all warrants granted in the year ended December 31, 2017 is $0.90 (C$1.17).

As at March 31, 2018 The weighted average fair value of each warrant granted is C$0.54 (C$0.69) using the Black-Scholes Option Pricing Model. The fair market value of warrants granted to staff is $0.64 (C$0.84) and the fair market value of warrants granted to the service provider is $0.33 (C$0.42), the fair market value of warrants granted to the lender is $0.00 (C$0.00).

The Company recognized $151,457 in share-based compensation and $18,235 in investor relations expenses during the three months ending March 31, 2018 (March 31, 2017: $0) at the value of the warrants earned as at March 31, 2018.

As at March 31, 2018, the weighted average remaining contractual life of the warrants is 7.64 years (December 31, 2017: 7.88 years). As at March 31, 2018, 4,998,958 (December 31, 2017: 4,713,333) of the issued and outstanding warrants were exercisable.

No warrants were granted during the three months ended March 31, 2018. The following is a summary of the changes in the Company's share purchase warrants for the three months ending March 31, 2018.

Warrants outstanding

	3m to March 31, 2018		***3m to March 31, 2017***	
	Number of options	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Outstanding, beginning of period	6,118,333	$ 0.90	-	$ -
Granted	-	$ -	-	$ -
Exercised	-	$ -	-	$ -
Forfeited	-	$ 0.90	-	$ -
Outstanding, end of period	6,118,333	$ 0.90	-	

The assumptions used for the calculation of the fair value at grant date during the three months ended March 31, 2018 are:

Expressed in US dollars

Black-Scholes assumptions for warrants

Granted during the three months ended:	***March 31, 2018***	***March 31, 2016***
Risk free rate	1.55% - 1.93%	NA
Expected life	2 - 10 years	NA
Expected volatility	70%	NA
Expected dividend per share	Nil	NA
Share price	$0.86	NA

Volatility is calculated by using the historical volatility of other companies that the Company considers comparable that have trading and volatility history. The expected life in years represents the time that the options granted are expected to be outstanding. The risk-free rate is based on zero coupon Canada government bonds with a remaining term equal to the expected life of the options

13.3 Options

The Company has established a stock option plan for directors, employees, and consultants. Under the Company's stock option plan, the exercise price of each option is determined by the Board. The aggregate number of common shares issuable pursuant to options granted under the plan is 10,000,000 common shares. The board of directors has the exclusive power over the granting of options and their vesting and cancellation provisions.

In the event of a change of control, unless otherwise specified in the stock option agreement for a particular grant, any right to repurchase an optionee's shares at the original exercise price shall lapse and all such shares shall become vested if such change of control occurs during the optionee's term of service and the repurchase right is not assigned to the entity immediately after the change of control.

On May 12, 2017, 2,725,000 options with an exercise price of $0.90 (C$1.17) and expiring on the date that is ten years from the date of issuance were granted to employees and consultants with a weighted average fair value of options granted of $0.65 (C$0.85) using the Black-Scholes Option Pricing Model. Options granted vest over a period of two years on a quarterly basis.

In 2017, 715,000 options forfeited and $106,130 was transferred to the deficit.

During the three months ended March 31, 2018, 390,000 options were forfeited as employees left the Company and $106,102 was transferred to the deficit.

The Company recognized share-based compensation expense of $117,889 during the period for the value of stock options earned (March 31, 2017: nil). The weighted average fair value of each option that vested in 2017 is $0.65 (C$0.85).

Expressed in US dollars

The following is a summary of the changes in the Company's stock option plan for the three months ending March 31, 2018.

Options outstanding

	3m to March 31, 2018		*3m to March 31, 2017*	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding, beginning of period	2,010,000	$ 0.90	-	$ -
Granted	-	$ -	-	$ -
Exercised	-	$ -	-	$ -
Forfeited	(390,000)	$ 0.90	-	$ -
Outstanding, end of period	1,620,000	$ 0.90	-	

The following table summarizes information regarding stock options outstanding by exercise price and number of options exercisable as at March 31, 2018:

Options outstanding by exercise price - March 31, 2018

	Number of options outstanding	**Number of options exercisable**	**Weighted average life (years)**	**Weighted average exercise price**
$ 0.90	1,620,000	808,750	9.1	$ 0.90
Total options outstanding	1,620,000	808,750	9.1	$ 0.90

The assumptions used for the calculation of the fair value of options at grant date during the three months ended March 31, 2018, are:

Black-Scholes assumptions for options

Granted during the three months ended:	***March 31, 2018***	***March 31, 2016***
Risk free rate	1.57%	NA
Expected life	10 years	NA
Expected volatility	70%	NA
Expected dividend per share	Nil	NA

Volatility is calculated by using the historical volatility of other companies that the Company considers

Expressed in US dollars

comparable that have trading and volatility history. The expected life in years represents the time that the options granted are expected to be outstanding. The risk-free rate is based on zero coupon Canada government bonds with a remaining term equal to the expected life of the options.

14. Other loans

Other loans

	March 31, 2018	*December 31, 2017*
	US$	*US$*
AV Oregon LLC	**768,750**	750,000
Shareholder loans	**2,751,835**	1,543,744
Total	**3,520,585**	2,293,744

The Company has a senior secured promissory note outstanding issued to AV Oregon, LLC dated October 10, 2017 in the original principal amount of $750,000 (the “AV note”), which it issued pursuant to a loan agreement dated October 10, 2017 between the Company and AV Oregon, LLC, as successor to Archytas Ventures, LLC (the “AV loan agreement”). The loan was extended on January 18, 2018 with no change of the terms under the amendment. The loan bears interest at 15% per annum, is secured against the assets of the Company, is payable on January 11, 2018 and has 100% warrant coverage with $750,000 of warrants issued, exercisable at $0.90 for a period of two years. Including unpaid amounts for consulting and interest the loan was $768,750 at March 31, 2018. In the event of default, the interest payable on the outstanding balance would increase to 40% per annum.

On January 18, 2018, the loan agreement dated October 10, 2017 between AV Oregon LLC and the Company and the related promissory note, issued by the Company to AV Oregon, were amended to waive the interest accrued at the default rate as a result of the Company’s non-payment at the maturity of the loan and to extend the maturity date to December 28, 2018, under the condition that the Company make payments equal to $35,156 by June 1, 2018. The amendment also introduced a new event of default, being the termination of the May 8, 2018 binding letter of intent with Apogee Opportunities, Inc. or the listing transaction described therein (Note 19).

As at March 31, 2018, the Company owed $2,751,835 to executives, directors and close family. The outstanding amounts bear interest of 12% - 24% per annum. Interest is computed monthly and, at the Company’s discretion, may be accrued or paid monthly.

Expressed in US dollars

15. Capital management

Capital structure

	March 31, 2018	*December 31, 2017*
	US$	*US$*
Shareholders' equity (deficiency)	**(819,008)**	625,936
Convertible debentures and other loans	**7,141,609**	5,797,792

The Company's objectives for managing capital are: (i) to maintain a flexible capital structure which optimizes the cost/risk equation; and (ii) to manage capital in a manner which maximizes the interests of shareholders. The Company considers capital as the total equity and debt disclosed on the statement of financial position. The Company has not had any significant objections in its approach to managing capital.

The Company manages the capital structure and makes adjustments informed by changes in economic conditions and the risk characteristics of the underlying assets. The Company's capital structure is managed in conjunction with the financial needs of the day-to-day operations. The Company currently funds the working capital requirements out of its cash, internally-generated cash flows, various loans, and periodic infusions from investors.

Management does not establish quantitative return on capital criteria. However, management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is appropriate. At March 31, 2018, the Company is not subject to any externally imposed capital requirements.

16. Financial instruments

16.1 Fair value of financial instruments

Financial instruments that are measured at fair value use inputs which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level Two includes inputs that are observable other than quoted prices included in Level One;
- Level Three includes inputs that are not based on observable market data.

The Company has designated its cash as FVTPL. The fair value of the embedded derivative liability, options,

Expressed in US dollars

warrants, and the fair value of convertible promissory notes at time of issue are determined using level two of the hierarchy.

At March 31, 2018, both the carrying and fair value amounts of all the Company's financial instruments are approximately equivalent. They are all of a short -term nature.

16.2 Financial instrument risk exposures

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, accounts receivable and notes receivable. The Company's credit risk is primarily attributable to its accounts receivables. The amounts disclosed in the statement of financial position are net of allowance for doubtful accounts, estimated by the management of the Company based on its assessment of the current economic environment. The Company does not have significant exposure to any individual customer and has estimated an allowance for doubtful accounts of $8,654 (March 31, 2017 $5,241). The Company's maximum exposure to credit risk as at March 31, 2018 is the carrying value of cash, accounts receivable, and notes receivable. The Company believes that there is limited risk that notes receivables (See Note 11) are not settled. The Company takes a provision to allow for accounts receivable not being settled, which it believes is sufficient.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities. As at March 31, 2018, the Company had current assets of $4,968,005 compared to current liabilities of $10,193,619. All amounts in current liabilities are due within one year.

Financial liabilities - March 31, 2018

	Carrying value US$	1 - 30 days US$	30 - 60 days US$	60 - 90 days US$	> 90 days US$
Accounts payable and accrued liabilities	2,649,681	722,883	227,739	701,294	997,765
Convertible debentures and other loans	7,141,609	427,974	480,000	273,000	5,960,635
Carrying value	9,791,291	1,150,857	707,739	974,294	6,958,401

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

Interest rate risk

Interest rate risk consists of a) the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities. The Company is not exposed to interest rate price risk, as its convertible notes are carried at a fixed interest rate throughout their term.

Foreign currency risk

Foreign currency risk derives from fluctuations in exchange rates between currencies when transacting business in multiple currencies. The Company's business is substantially all conducted in US dollars and so it is not subject to any significant foreign currency risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

17. Taxation

The Company reconciles the expected income tax expense at the average US statutory income tax rate of 34% to the amount recognized in the statement of operations.

The income tax provision in the three months ending March 31, 2018 was $81,341 (March 31, 2017: $312,000). The provision is calculated, based on gross profits not including 280E deductions.

The Company's US income is apportioned exclusively to the State of Oregon. The production and sale of marijuana and related products for medical purposes is legal in the State of Oregon and therefore normal business expenses are deductible at the state level. The tax rate in the State of Oregon is the greater of 6.6% or the corporate gross receipts minimum tax. In the three months ended March 31, 2018 the Oregon state tax liability was computed as the minimum tax.

Internal Revenue Code ("IRC") Section 280E denies, at the US federal level, deductions and credits attributable to a trade or business trafficking in controlled substances. Case law shows that "cost of goods sold" has been permitted as a deduction in determining taxable income. Because the Company is subject to IRC Section 280E, the Company has computed its US tax on the basis of gross receipts less cost of goods sold. The tax provision for the three months ended March 31, 2018, has been prepared based on the assumption "cost of goods sold" is a valid expense for income tax purposes.

18. Commitments and contingencies

The Company has commitments under a certain operating lease for its facilities. The amounts are as follows:

Expressed in US dollars

Committed lease obligations

	Amount due US$
2018	322,277
2019	415,123
2020	415,123
2021	175,517
2022	18,224

The Company has entered into various independent contractor agreements with consultants which include termination clauses upon 30 days' notice. The maximum amount payable under these contracts is approximately $40,000. As no triggering event has taken place, the contingent payments have not been reflected in these financial statements.

On July 12, 2017 the Company entered into an agreement with a service provider. for ongoing financial advisory services. If during the term of the engagement or within 12 months following termination of the agreement, a Transaction is completed, or the Company announces, or enters into an agreement in respect of, a Transaction that is subsequently completed, the Company will pay a transaction fee of 2% - 4% of the value of the transaction. Any contingency payment has not been included in these financial statements as a triggering event has not taken place. See Note 19, regarding the proposed transaction with Apogee Opportunities Inc.

The Company holds processing, cultivation and wholesaling licenses issued by the Oregon Liquor Control Commission ("OLCC"). While the Company has implemented a system of policies and procedures to help ensure compliance with the laws and regulations that govern the Recreational Marijuana Program, the Company was recently sanctioned and fined by the OLCC for regulatory violations. The OLCC imposed a fine of US$6,930 because of such violations. On March 20, 2018, the Company accepted responsibility to pay the fine and reiterated to the OLCC the Company's commitment to ongoing regulatory compliance. While the investigation is now concluded, and the Company has remedied the violations identified by the OLCC, the Company may be subject to additional regulatory investigations in the future. Any future instances or allegations of regulatory non-compliance could lead to more significant fines or sanctions, including potential loss of licenses, particularly considering the previous findings of non-compliance by the OLCC. Management believes the Company it is currently in compliance with Oregon state law and OLCC licensing requirements.

The Company is party to legal proceedings and other claims in the ordinary course of its operations. Litigation and other claims are subject to many uncertainties and the outcome of individual matters is not predictable. Where management can estimate that there is a loss probable, a provision has been recorded in its financial statements. Where proceedings are at a premature stage or the ultimate outcome is not determinable, no provision is recorded. It is possible that the final resolution of these matters may require the Company to make expenditures in a range of amounts that cannot be reasonably estimated and may differ significantly from any amounts recorded in these consolidated financial statements. Should the Company be unsuccessful in its

defense or settlement of one or more of these legal actions, there could be a materially adverse effect on the Company's financial position, future expectations, and cash flows.

19. Subsequent events

Subsequent to March 31, 2018, on May 14, 2018, the Company entered into a Letter of Intent with Apogee Opportunities, Inc. ("Apogee") regarding a proposed business combination between Apogee and the Company, and the subsequent listing of the shares of the resulting issuer on a recognized Canadian stock exchange (the "Listing Transaction"). The transaction will be realized through a three-way amalgamation whereby ANM merges with a subsidiary of Apogee. Each shareholder in ANM is expected to receive 1.35 shares of Apogee once the Listing Transaction is realized. All ANM securities will be converted to Apogee securities at the ratio of 1.35. In connection with the Listing Transaction, Apogee and the Company have entered into an engagement letter with Canaccord Genuity Corp. and Clarus Securities to act as the co-lead managers and bookrunners in connection with a private placement financing (the "Apogee Private Placement") for aggregate gross proceeds of approximately C$8,000,000 in subscription receipts and special units. Upon the satisfaction of the RTO closing conditions, the purchase price for the subscription receipts and special units will be released from escrow to Apogee, and each subscriber will receive one common share of Apogee (a "Resulting Issuer Share") and one common share purchase warrant of Apogee exercisable at a price of C$0.80 per share and expiring on December 31, 2020 (a "Resulting Issuer Warrant"). ANM shareholders will hold 71.7% of the business combination.

In conjunction with the Apogee offering, the Company announced the issuance of approximately $10 million of Notes, the Pre-RTO notes, in one or more closings, which will occur upon approval of the applicable note purchasers as "financial interest" holders of the Company by the Oregon Liquor Control Commission (the "OLCC"). Principal, plus accrued and unpaid interest, under the Notes will automatically convert upon satisfaction of the RTO closing conditions into units consisting of 0.7407 shares of common stock of the Company and warrants to purchase 0.7407 shares of common stock of the Company at a conversion price equal to the price per unit paid by the subscribers in the Apogee private placement. Upon closing of the Listing Transaction, the shares and warrants included in each pre-listing Unit will be exchanged into one Resulting Issuer Share and one Resulting Issuer Warrant. As of August 8, 2018, a total of $9.6 million was raised in escrow. If the Pre-RTO notes have not yet converted as described above, the principal and accrued interest on the notes will be due and payable on the earlier of (a) December 28, 2018, or (b) a change of control of the Company. The agents may be entitled to a commission on conversions of the Pre-RTO Notes, to consist of a cash commission equal to 1% of the dollar amounts converted into Resulting Issuer Common Shares and Warrants, as well as a 1% warrant commission in one Resulting Issuer Warrant exercisable at CAD$0.80 for each CDN$0.40 of Pre-RTO Notes converted into Resulting Issuer Common Shares and Warrants. The actual number of Resulting Issuer Warrants issuable to the Agents under this arrangement is subject to negotiation prior to the completion of the Transaction.

On May 15, 2018 the Board approved the grant of 6,218,895 shares of common stock (Restricted Stock Units or "RSU's") under the Stock Incentive Plan for services provided or to be provided to the Company. The RSU's granted to management are subject to the successful completion of the Listing Transaction.

On May 15, 2018 the Board approved a grant of 775,000 share purchase warrants to lenders and service providers. 675,000 warrants have an exercise price of $0.23 (C$0.30) with expiration date May 13, 2021 and 100,000 warrants have an exercise price of $0.80 (C$1.01) and expiration date May 13, 2023.

On June 30, 2018, the Company, entered an agreement to a termination of certain of the intangibles acquired in 2017 (Note 12). Pursuant to a letter agreement dated effective June 30, 2018, the Company, Elemental Concepts, LLC and Compass Point, LLC agreed to amend the promissory notes to each, to a restated principal amount of US$479,500. The maturity date is the earlier of (a) the consummation of the proposed business combination transaction between or involving Apogee and the Company or (b) December 28, 2018. This aggregate amount was subsequently reduced from $1.9 million to $959,500 effective June 30, 2018.

On June 30, 2018, the Company announced the issuance of convertible promissory notes to certain related parties in exchange for prior cash advances and deferred compensation (See Note 13, shareholder loans). The notes will convert into Pre-RTO units, which were issued in conjunction with the Apogee offering (see above) at a conversion price of $0.18 (C$0.240) per unit.

On July 9, 2018 the Company signed a membership interest contribution agreement with Elemental Concepts, LLC and Compass Point, LLC, the members of Industrial Court L9, LLC (“L9”). The Company will issue convertible promissory notes in the aggregate principle amount of $2 million as well as common share purchase warrants of ANM for the purchase of the L9 interests, which includes two pending licenses for manufacturing and distribution in Cathedral City, California.

On July 19, 2018 the Company signed a binding term sheet with Just Quality, LLC for the purchase of a Nevada marijuana product manufacturing license, a medical marijuana cultivation establishment certificate, a Nevada marijuana cultivation facility license and a Nevada marijuana distribution license, together with all the assets used in the operation of the businesses operating under or in connection with the licenses. The purchase price is $4.9 million.

Schedule "M"
HALO MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

[Please see attached.]

ANM Inc.
Management Discussion and Analysis
Three months ending March 31, 2018

This “Management’s Discussion and Analysis” (“MD&A”) has been prepared as at August 8, 2018, and should be read in conjunction with the audited consolidated financial statements of ANM Inc. (the “Company”) for the twelve months ended December 31, 2017 and the condensed interim consolidated financial statements for the three months ended March 31, 2018.

Management's responsibility for financial reporting

The MD&A for the Company is the responsibility of management. The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the MD&A.

Forward looking statements

This MD&A includes certain forward-looking statements that are based upon current expectations which involve risks and uncertainties associated with the Company’s business and the economic environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements, which are often, but not always, identified by the use of words such as “seek”, “anticipate”, “budget”, “plan”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. The forward- looking statements are not historical facts, but reflect the Company’s current expectations regarding future results or events. Forward-looking statements contained in this MD&A are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed in the section “Risks and Uncertainties” below.

Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding management’s goal of creating shareholder value, the ability to fund future operating costs, the timing for future research and development of the Company’s current and future technologies, sensitivity analysis on financial instruments that may vary from amounts disclosed, prices and price volatility of the Company’s products and general business and economic conditions.

Readers are cautioned that the above factors are not exhaustive. Although management has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated.

Management believes the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The forward-looking information contained in this MD&A is provided as of the date hereof and management undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Basis of consolidation

The audited consolidated financial statements include the accounts of the Company and entities controlled by the Company and its subsidiaries.

The audited consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Subsidiaries of the parent Company, ANM Inc. are as follows:

Equity interests

	March 31, 2018	***December 31, 2017***
PSG Coastal Harvest LLC	**100%**	100%
Coastal Harvest LLC	**100%**	100%
East Evans Creek LLC	**100%**	100%

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the audited consolidated statements of income and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

All amounts in these financial statements have been presented in US dollars and indicated as "$".

All intercompany transactions, balances, revenue and expenses are eliminated in full on consolidation.

Description of the business

ANM, Inc. ("ANM" or the "Company") was incorporated under the laws of the state of Oregon in the United States of America ("USA" or "US") on March 18, 2016. The Company operates under the assumed business name Hush Canna and Halo. The Company's corporate office and its principal place of business is 130 West Clark Street, Medford, Oregon, USA 97501.

ANM is a United States based, manufacturer of cannabis oil and concentrates that cultivates cannabis plants and utilizes its proprietary technology to extract oils and manufacture concentrates. The Company sells to

licensed retailers and wholesalers. This is pursuant to recreational marijuana licenses issued to ANM by the Oregon Liquor Control Commission ("OLCC"). Currently, substantially all of ANM's revenue is derived from the sale of cannabis products in the State of Oregon under the State's regulated Recreational Marijuana Program.

The Company has 20,230,812 common shares that are issued and fully paid as at August 8, 2018. The Company also has 6,643,895 restricted shares, 1,480,000 options and 6,118,333 warrants in issue.

Business strategy of the Company

ANM's strategy in the near term is to roll-out its business model of cultivation, manufacturing oil and concentrates as finished goods for sale to dispensaries and large wholesalers as either private label or branded product. The company currently markets over 50 different products and uses an opening price point strategy across its product range. In the near term the Company's geographic focus is in California, Nevada and Oregon. However, the Company is also engaged in discussion with various group internationally to actively manage integrated seed to sale operations in foreign jurisdictions on a contracted basis and is establishing an office in Portland to manage this effort.

Halo Labs plans to leverage its core expertise in manufacturing cannabis oils and concentrates and cultivating low cost raw material for manufacturing. The founding shareholders have been investors, advisors, officers and directors of cannabis manufacturing businesses since 2013. The Company maintains proprietary trade secrets in its manufacturing processes developed by two of its founding shareholders; Dr. Parkash Gill M.D. and Dr. Valery Krasnoperov PhD. The Company is actively collaborating with third parties to develop and launch proprietary products to fill market voids and has formed a relationship with Iconic Ventures, LLC. The first of these products is the Dab Tab™, which expands the user base for dabbables. The Dab Tab™ transforms the dabble product category from primarily an at home use case to enable user to use the dabbables quickly on the go while making the entire dabbing process cleaner and more effective.

Halo Labs also manages its own distribution in Oregon and plans to do the same in California and Nevada (when legally possible). The Company currently has its own direct sales force in Oregon that calls on dispensary and wholesale clients (primarily edibles manufacturers) and plans to do the same in California and Nevada.

Overall performance

- Revenues in the three months ending March 31, 2018 were $2,168,976 compared with $2,428,330 in 2016, a 14.1% decline. All revenues were generated in Oregon.
- Gross profits were -$14,593 compared with $1,066,712 in the previous year. The gross margin was -0.7% in the three months ending March 31, 2018 compared with 49.5% in 2016. Excluding the valuation of biological assets, the gross margin was 14.2% for the three months ended March 31, 2018.
- The Oregon facility produced 48,600 grams of oil for cartridges and 181,200 grams of shatter.
- The yield to convert trim and flower into oil was 11.9%. This compares with 9.8% in 2016.

- The Company raised $1,059,668 in debt. No equity capital was raised in the three months ending March 31, 2018.

Discussion of operations

All revenues were generated in the state of Oregon in the three months ending March 31, 2018. Halo's flagship manufacturing facility is in Medford. The facility has approximately 12,000 square feet of indoor manufacturing space, as well as an enclosed courtyard of approximately 7,200 square feet. Within the 12,000 square foot indoor facility, approximately 1,400 square feet is a segregated explosive-proof room for volatile extraction. Halo utilizes all the extraction methods noted above in its Medford facility other than ethanol extraction. The Medford facility also houses Halo's wholesale-licensed business, which occupies approximately 800 square feet and is one of the largest in the state.

The Medford facility has two Precision PX1 extractors and two PXP extractors in operation. Each PX1 extractor has daily capacity to convert 9,080 grams of trim during two shifts. Each PXP extractor has daily capacity of 29,510 grams of trim conversion during two eight hours shifts. Total daily capacity to convert trim is 77,180 grams, equivalent to 170 lb per day.

Average daily production of shatter and oil was 2,930 grams in 2017. The available capacity allows the Company to increase production with no addition capital expenditure.

During the three months ending March 31, 2018 the Company focused on its expansion outside of Oregon. ANM is in the process of building out a cannabis manufacturing facility in Cathedral City, California and has applied for an annual type 7 manufacturing license for adult-use cannabis products to the California department of public health. ANM anticipates that it will begin manufacturing and selling cannabis products from this facility in California in September 2018. On July 9, 2018, ANM entered into a membership interest contribution agreement pursuant to which it will acquire an additional licensed entity and sublease a separate 7,800 square-foot manufacturing facility in Cathedral City, California.

The Company entered into a management agreement dated June 8, 2017 with Just Quality, LLC ("Just Quality") related to the operation of a marijuana manufacturing business in Las Vegas, Nevada under Just Quality's Nevada marijuana product manufacturing license and its Nevada medical marijuana product establishment certificate. Under the terms of the management agreement, ANM is entitled to a percentage of gross revenue of the Nevada Licensed manufacturing business in exchange for management services provided in connection with the operation of the Nevada manufacturing licensed business. ANM began operations under this management agreement in Las Vegas.

Biological assets

The Company's biological assets consist of cannabis plants. With the exception of depreciation, which is directly expensed in the period and presented separately in the consolidated statement of operations, the Company capitalizes the direct and indirect costs incurred related to the biological transformation of the biological assets between the point of initial recognition and the point of harvest. The Company then measures the biological assets at fair value less cost to sell up to the point of harvest, which becomes the basis for the cost of finished goods inventories after harvest. The net unrealized gains or losses arising from changes in

fair value less cost to sell during the year are included in the results of operations of the related year. Certain of the Company's assets and liabilities are measured at fair value. In estimating fair value, the Company uses market-observable data. The Company leases four acres for its outdoor grow in East Evans Creek in Oregon. The grow cycle of outdoor plants is twelve weeks and the plants are harvested in the final quarter of the year.

As at March 31, 2018 the carrying value of the biological assets was $0.

Selected quarterly information

Selected Financial Information

3 months to:	***March 31, 2018 US$***	***March 31, 2017 US$***
Sales	**2,168,976**	2,525,158
COGS	**2,183,569**	1,458,446
Gross profit	**(14,593)**	1,066,712
Net income / (loss)	**(1,818,993)**	(271,211)
Net income / (loss) per share, basic & diluted:	**$ (0.09)**	$ (0.02)
Weighted average number of outstanding common shares, basic and diluted	**20,347,484**	15,824,946
Total assets	**9,514,611**	9,413,803

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as are issued by the International Accounting Standards Board (IASB) and are reported in Canadian dollars.

The selected consolidated financial information for the period under review is compared to the comparative period in the previous fiscal year. The information is presented on the same basis as the audited consolidated financial statements and should be read in conjunction with the audited consolidated financial statements and the accompanying notes.

Revenue

Revenues in the three months ending March 31, 2018 were $2,168,976 compared with $2,525,158 in 2016, a 14.1% decline. The decline in revenues is explained by a 50.9% increase in grams of oil and shatter sold, an increase in the yield from 9.8% to 11.9% to convert trim into oil and a 46.6% decline in average achieved price in comparison with 2016. Returns were 4.5% of revenues.

The Medford facility produced 181,000 grams of shatter, an increase of 57.5% in comparison with 2016. Shatter sold for an average price of $7.02, a 52.5% decline in comparison with an average price of $14.78 in 2016. The Company sold 48,600 grams of oil for cartridges, a 30.6% increase in comparison with 2016. The average price achieved for oil for cartridges was $14.27, a 36.5% decline over the previous year.

All revenues were generated in the state of Oregon in 2017. The Medford facility had two Precision PX1 extractors and two PXP extractors in operation during the year. Each PX1 extractor has daily capacity of 9,080 grams during two shifts. Each PXP extractor has daily capacity of 29,510 during two eight hours shifts. Total daily extraction capacity is 77,180 grams. Average daily production of shatter and oil was 2,930 grams in 2017. The available capacity allows the Company to increase production with no addition capital expenditure.

Distribution

ANM currently operates a licensed distribution (wholesale) business in Oregon and has entered into a binding term sheet with Just Quality to acquire a distribution license in Nevada, and a Membership Interest Contribution Agreement to acquire a distribution license in Southern California.

ANM's distribution (wholesale) business in Oregon is focused exclusively on the wholesale of ANM's products. ANM currently [employs] eight salespeople that call on approximately 300 cannabis retailers in the state, and six dedicated drivers to deliver products to retailers. ANM intends to hire two or three additional salespeople to focus primarily on wholesale to edible manufacturing companies. ANM is seeking an additional wholesale license in the Portland area so that its product can be stored in Portland. The greater Portland area represents approximately 70% of the Oregon cannabis market.

ANM intends to distribute its own products in Nevada as soon as it is legally able to do so. Under a Nevada Supreme Court order, the Nevada department of taxation (the cannabis licensing body in Nevada) is currently prohibited from issuing cannabis distribution licenses to applicants other than those currently licensed to distribute alcohol. This moratorium is expected to end in approximately six months, following the conclusion of an 18-month exclusivity period for alcohol distributors.

In California, the Company is working to build its distribution framework in Southern California, including by recruiting a VP of Sales from the liquor and beverage industry and working with established cultivators and product manufacturers to establish distribution channels for its own products. In Northern California, ANM is in discussions with landlords and license holders in the Bay Area and Sacramento region to establish a distribution hub.

Gross profit and cost of sales

Cost of goods sold were $1,860,730 excluding the change in value of biological assets of $322,839. This compares with 1,458,446 in the three months to March 31, in 2017. Reported cost of goods sold were $2,183,569 for the three months ended March 31, 2018. There were no biological assets in 2017. The reported gross margin was -0.7% in the three months ending March 31, 2018 compared with 42.2% in 2017. Adjusted for the loss in value of biological assets, the gross margin was 14.2%. The average achieved selling price declined with 42.0%. The decline in selling price was more than the 39.4% decline in the price of trim.

Labor included in the cost of goods sold represented 17.8% of revenues and 18.6% of cost of goods sold, excluding the gain on change in value of biological assets. In particular extraction, production and packaging are labor intensive. Improving labor efficiency is a continuous focus of management

Testing represented 8.2% of revenues and 8.5% of cost of goods sold. The Company has re-negotiated testing costs for 2018.

Operating expenses

The table below sets forth operating expenses for the three months ending March 31, 2018.

Operating expenses

3 months to:	***March 31, 2018 US$***	***March 31, 2017 US$***
General and administration	**382,911**	299,254
Salaries	**160,872**	120,252
Professional fees	**314,010**	277,605
Sales and marketing	**260,466**	371,415
Investor relations	**68,235**	-
Share based compensation	**269,346**	-
Total operating expenses	**1,455,840**	1,068,526

Operating costs were $1,455,840 (2016: $1,068,526). Operating expenses in the three months ending March 31, 2018 included $269,346 of non-cash share-based compensation.

General and administration costs for the three months ending March 31, 2018 were $382,912 (2016: 299,254). They include IT, rent, utilities, office, security, insurance, travel and maintenance.

Salaries increased to $160,872 (2016: $120,252) following an increase in payroll of office staff as more office employees were hired.

Professional fees were $314,011 (2016: $277,605). They include legal, audit and consulting fees. The increase in professional fees is explained by an increase in legal fees and consulting fees as the Company explores new initiatives outside Oregon.

Sales and marketing expenses declined to $260,466 (2016: $371,415). They include distribution, commissions, salaries of sales people, advertising and salaries of marketing staff.

Summary of quarterly results

Summary of quarterly results

3 months to:	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Sales	266,489	1,112,635	2,515,281	2,525,158	2,195,835	3,264,728	2,027,959	2,168,976
Cost of goods sold	252,774	836,584	1,257,254	1,458,446	1,951,921	2,647,281	1,803,413	2,183,569
Gross profit	13,715	276,051	1,002,407	1,066,712	243,914	617,447	224,546	(14,593)
Gross margin	*5.1%*	*24.8%*	*39.9%*	*42.2%*	*11.1%*	*18.9%*	*11.1%*	*nm*
Net income / (loss)	(149,048)	(129,817)	(22,034)	(271,212)	(1,558,048)	(1,315,604)	(5,522,294)	(1,818,993)
Net income / (loss) per share	$(0.02)	$(0.01)	$(0.00)	$(0.02)	$(0.09)	$(0.08)	$(0.32)	$(0.09)
Weighted average number of outstanding common shares, basic and diluted	9,468,077	9,468,077	9,468,077	15,824,946	17,348,438	17,348,438	17,348,438	20,347,484
Total assets	416,864	1,035,219	2,127,387	9,413,803	6,116,017	7,197,635	9,413,803	9,514,611

The Company's quarterly consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as are issued by the International Accounting Standards Board (IASB) and are reported in U.S. dollars. The following quarterly information is presented on the same basis as the audited consolidated financial statements and should be read in conjunction with the statements and the accompanying notes. The fluctuation in the gross margin is explained by the timing of inventory movements, a change in the value of biological assets, and value adjustments of inventory.

Non-IFRS measures

Adjusted EBITDA

	March 31, 2018 US$	*March 31, 2017 US$*
IFRS measures from consolidated financial statements		
Statement of loss:		
Net loss	**(1,819,173)**	(271,211)
Income tax	**81,341**	312,000
Interest income / (expense)	**209,997**	29,264
Depreciation and amortization	**103,827**	183,677
EBITDA	**(1,424,008)**	253,730
Adjustments:		
Share-based compensation	**269,346**	-
Inventory write-down	**250,014**	250,014
Accretion expense	**191,865**	146,472
Change in fair value of embedded derivative	**(134,463)**	(218,339)
Adjusted EBITDA	**(847,246)**	431,878

Management evaluates the Company's performance using a variety of measures. The non-IFRS measures discussed below should not be considered as an alternative to or to be more meaningful than net revenue or net loss. These measures do not have any standardized meaning prescribed by IFRS and many not be comparable to similar measures presented by other companies.

EBITDA and Adjusted EBITDA are calculated as described above, adjusted for specific items that are significant but not reflective of the Corporation's underlying operations. Adjustment of these specific items is subjective; however, management uses its judgment and informed decision-making when identifying items for adjustment.

Adjusted EBITDA is provided to assist management and investors in determining the Company's operating performance before income taxes, depreciation and amortization, and certain other income and expenses. Income taxes, depreciation and amortization are excluded from the EBITDA calculation, as they do not represent cash expenditures that are directly affected by operations. Management believes that presentation of this non-IFRS measure provides useful information to investors and shareholders as it provides predictive value and assists in the evaluation of performance trends. Management uses adjusted EBITDA to compare financial results among reporting periods and to evaluate the Company's operating performance and ability to generate funds from operating activities.

In calculating Adjusted EBITDA, certain non-cash and nonrecurring transactions are excluded. Adjusted EBITDA excluded non-cash expenses related to share-based compensation and foreign exchange gains and losses.

Liquidity

The Company's objectives when managing its liquidity and capital structure are to generate sufficient cash to fund operating and organic growth requirements.

As at March 31, 2018, the Company had cash of $236,002. As at March 31, 2018 the Company had continued losses, an accumulated deficit and a working capital deficiency.

The Company's working capital consists of current assets including cash minus current liabilities including short term loans and the current portion of long-term debt. The table below sets forth the cash and working capital position of the Company as at March 31, 2018.

Cash and working capital position

	March 31, 2018 US$	***December 31, 2017 US$***
Cash	**236,002**	144,255
Working capital excluding cash and deferred tax liability	**(5,461,616)**	(3,953,455)

The table below sets forth the Company's cash flows for the twelve months ended March 31, 2018.

Cash flow

Cash provided by (used in):	***March 31, 2018 US$***	***March 31, 2017 US$***
Operating activities	**(861,560)**	(991,933)
Finance activities	**1,028,604**	2,307,043
Investing activities	**(75,297)**	(643,128)

- Cash used in operating activities

  The cash used in operating activities of $861,560 (2016: $991,933). An efficiency drive in the facility in Medford was the main reason for the decrease in funds needed for operations.

- Cash provided by financing activities

  The Company's cash provided by financing activities of $1.0 million (2016: $2.3 million). The cash from financing activities was primarily due to proceeds from an increase in loans.

- Cash used in investing activities

  The Company's cash used in investing activities was $75,297 (2016: $643,128). The limited use of cash for investing was attributed to a stringent budget to preserve cash.

Capital resources

Continuity of common shares for the period

	Shares	**Amount US $**
Opening balance March 18, 2016	-	-
Common shares issued to founders for cash	7,308,125	73,081
Common shares issued to founders for assets purchased	8,077,500	61,775
Share issuance costs	-	(3,810)
Balance December 31, 2016	15,385,625	131,046
Opening balance January 1, 2017	15,385,625	131,046
Common shares issued	6,920,195	5,501,699
Common shares cancelled	(1,958,336)	(32,229)
Share issuance costs	-	(157,179)
Balance December 31, 2017	20,347,484	5,443,337
Opening balance January 1, 2018	20,347,484	5,443,337
Common shares issued	-	42,499
Share issuance costs	-	-
Balance March 31, 2018	20,347,484	5,485,836

At March 31, 2018 the Company had 20,347,484 (2016: 15,385,625) shares of common stock outstanding and no outstanding shares of preferred stock. The table above reflects the continuity of common shares from March 18, 2016 to March 31, 2018. Common shares were issued for cash through private placements, settlement of debts and conversion of convertible debt. Common shares were also redeemed and cancelled.

On August 6, 2016, the Company issued 7,308,125 shares from a non-brokered placement at a price of $0.01 (C$0.01) for aggregate proceeds of $73,081. The Company also issued 8,077,500 shares in exchange for assets contributed to the Company at a price of $0.01 (C$0.01) valued at $61,775 and recorded share issue costs of $3,810.

On March 1, 2017, the Company redeemed 1.9 million shares of a former director for $100 and cancelled these shares. Their pro-rata value totaling $16,183 was accordingly transferred to the deficit.

On March 22, 2017, in conjunction with the Company consummating a qualifying financing event, the Company converted all its outstanding convertible debentures to common shares. Total principal and accrued but unpaid interest converted at $0.77 (C$1.03) per share and resulted in the issuance of 1,527,611 common shares with a value of $1,176,260.

On March 22, 2017, the Company initiated a new round of equity financing that was considered a qualifying financing event and triggered the automatic conversion of the convertible debentures. From April 21, 2017 through May 16, 2017, the Company closed four rounds of equity financing. All tranches were part of the same offering at approximately $0.86 (C$1.12) per share.

- On March 22, 2017, the Company issued 2,660,207 shares and raised $2,283,313 from a non-brokered placement at a price of $0.86 (C$1.12) per share
- On April 21, 2017, the Company issued 256,008 shares and raised $219,737 from a non-brokered placement at a price of $0.86 (C$1.12) per share.
- On May 15, 2017, the Company issued 1,703,412 shares and raised $1,462,075 from a non-brokered placement at a price of $0.86 (C$1.12) per share.
- On May 15, 2017, the Company issued 256,678 shares and raised $220,312 from a non-brokered placement at a price of $0.86 (C$1.12) per share.

On September 1, 2017, the Company issued 400,000 shares for a cash contribution of $40,000.

On September 8, 2017, the Company issued 116,279 shares in settlement of accounts payable of $100,000.

On October 27, 2017, the Company redeemed and cancelled 58,336 shares by agreement with a former employee of the Company. The pro-rata value of $16,049 was transferred to the deficit.

The Company's capital is primarily composed of shareholders' equity. The Company utilizes cash flow from operations and equity investment to support development and continued operations and to meet liabilities

and commitments as they come due. The Company has working capital deficiency of $5.8 million as at March 31, 2018.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is appropriate. As at March 31, 2018, the Company is not subject to any externally imposed capital requirements.

The Company's principal capital needs are for funds to expand its market presence, design and develop propriety products, and general working capital requirements to support growth.

Off-balance sheet arrangements

The Company does not have any off-balance sheet arrangements.

Related party transactions

Key employees include the Company's directors, senior officers and any employees with authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

In the three months ending March 31, 2018 remuneration to executives was $45,250 (2016: $48,000).

Due from shareholders and related parties is $15,081 in relation to a note receivable from the shareholder and $2,551 advances to staff. Due to shareholders and related parties was $1,320,946, primarily related to advances to the Company by shareholders, executives and directors.

Related parties

	March 31, 2018	***December 31, 2017***
	US$	***US$***
Due from shareholders and other related parties	**17,632**	80,278
Shareholder loans to to directors, officers and their close family	**1,320,946**	1,337,065

Key management includes the Company's directors, senior officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

Options and warrants were granted on May 12, 2017 to staff, directors and consultants. Options and warrants granted to staff and directors vest over a period of two years every three months in equal amounts. Share-based compensation is recognized every three months and is expensed and included in the statement of change in equity. No options or warrants were granted in the three months ending March 31, 2018.

Compensation key executives

	March 31, 2018	*March 31, 2017*
	US$	*US$*
Salaries, commissions, bonuses, consulting fees	**69,250**	48,000
Share-based compensation	**103,005**	-
Total	**172,255**	48,000

Subsequent events

Subsequent to March 31, 2018, On May 14, 2018, the Company entered into a Letter of Intent with Apogee Opportunities, Inc. ("Apogee") regarding a proposed business combination between Apogee and the Company, and the subsequent listing of the shares of the resulting issuer on a recognized Canadian stock exchange (the "Listing Transaction"). The transaction will be realized through a three-way amalgamation whereby ANM merges with a subsidiary of Apogee. Each shareholder in ANM is expected to receive 1.35 shares of Apogee once the Listing Transaction is realized. All ANM securities will be converted to Apogee securities at the ratio of 1.35. In connection with the Listing Transaction, Apogee and the Company have entered into an engagement letter with Canaccord Genuity Corp. and Clarus Securities to act as the co-lead managers and bookrunners in connection with a private placement financing (the "Apogee Private Placement") for aggregate gross proceeds of approximately C$8,000,000 in subscription receipts and special units. Upon the satisfaction of the RTO closing conditions, the purchase price for the Subscription Receipts and special units will be released from escrow to Apogee, and each subscriber will receive one common share of Apogee (a "Resulting Issuer Share") and one common share purchase warrant of Apogee exercisable at a price of C$0.80 per share and expiring on December 31, 2020 (a "Resulting Issuer Warrant").

In conjunction with the Apogee offering, the Company announced the issuance of approximately $10 million of Notes, the Pre-RTO notes, in one or more closings, which will occur upon approval of the applicable note purchasers as "financial interest" holders of the Company by the Oregon Liquor Control Commission (the "OLCC"). Principal, plus accrued and unpaid interest, under the Notes will automatically convert upon satisfaction of the RTO closing conditions into units consisting of 0.7407 shares of common stock of the Company and warrants to purchase 0.7407 shares of common stock of the Company at a conversion price equal to the price per unit paid by the subscribers in the Apogee private placement. Upon closing of the Listing Transaction, the shares and warrants included in each pre-listing Unit will be exchanged into one Resulting Issuer Share and one Resulting Issuer Warrant. As of August 8, 2018, a total of $9.6 million was raised in escrow. If the Pre-RTO notes have not yet converted as described above, the principal and accrued interest on the notes will be due and payable on the earlier of (a) December 28, 2018, or (b) a change of control of the Company.

On May 15, 2018 the Board approved the grant of 6,218,895 shares of common stock (Restricted Stock Units or "RSU's") under the Stock Incentive Plan for services provided or to be provided to the Company. The RSU's granted to management are subject to the successful completion of the Listing Transaction.

On May 15, 2018 the Board approved a grant of 775,000 share purchase warrants to lenders and service providers. 675,000 warrants have an exercise price of $0.23 ($0.30) with expiration date May 13, 2021 and 100,000 warrants have an exercise price of $0.80 (C$1.01) and expiration date May 13, 2023.

On June 30, 2018, the Company, entered an agreement to a termination of certain of the intangibles acquired in 2017 (Note 12). Pursuant to a letter agreement dated effective June 30, 2018, the Company, Elemental Concepts, LLC and Compass Point, LLC agreed to amend the promissory notes to each, to a restated principal amount of US$479,500. The maturity date is the earlier of (a) the consummation of the proposed business combination transaction between or involving Apogee and the Company or (b) December 28, 2018. This aggregate amount was subsequently reduced from $1.9 million to US$959,500 effective July 30, 2018.

Dated June 30, 2018, the Company announced the issuance of convertible promissory notes to certain related parties in exchange for prior cash advances and deferred compensation (See Note 13, shareholder loans). The notes will convert into Halo Pre-RTO units, which were issued in conjunction with the Apogee offering (see above) at a conversion price of $0.18 (C$0.240) per unit.

On July 9, 2018 the Company signed a membership interest contribution agreement with Elemental Concepts, LLC and Compass Point, LLC, the members of Industrial Court L9, LLC ("L9"). The Company will issue convertible promissory notes in the aggregate principle amount of $2 million as well as common share purchase warrants of ANM for the purchase of the L9 interests, which includes two pending licenses for manufacturing and distribution in Cathedral City.

On July 19, 2018 the Company signed a binding term sheet with Just Quality, LLC for the purchase of a Nevada marijuana product manufacturing license, a medical marijuana cultivation establishment certificate, a Nevada marijuana cultivation facility license and a Nevada marijuana distribution license, together with all the assets used in the operation of the businesses operating under or in connection with the licenses. The purchase price is $4.9 million.

Commitments

The Company has commitments under operating leases for its facilities.

Committed lease obligations

	Amount due US$
2018	322,277
2019	415,123
2020	415,123
2021	175,517
2022	18,224

The company has entered into various independent contractor agreements with consultants which include termination clauses upon 30 days' notice. The maximum amount payable under these contracts is approximately $40,000. As no triggering event has taken place, the contingent payments have not been reflected in these financial statements.

On July 12, 2017 the Company entered into an agreement with a service provider for ongoing financial advisory services. If during the term of the engagement or within 12 months following termination of the agreement, a Transaction is completed, or the Company announces, or enters into an agreement in respect of, a Transaction that is subsequently completed, the Company will pay a transaction fee of 2% - 4% of the value of the transaction. Any contingency payment has not been included in these financial statements.

Financial instruments

All financial assets and financial liabilities are initially recognized at fair value. The fair value of financial instruments is measured using inputs which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two includes inputs that are observable other than quoted prices included in Level One.
- Level Three includes inputs that are not based on observable market data.

The Company has designated the following classifications:

- Cash – Held-for-trading
- Accounts receivable – Loans and receivables
- Due from related parties – Loans and receivables
- Accounts payable and accrued liabilities – Other liabilities
- Due to shareholder – Other liabilities
- Loan payable – Other liabilities

All are recognized as Level One measurements.

As at the end of the period under review, both the carrying and fair value amounts of all the Company's financial instruments are approximately equivalent due to their short-term nature.

Risk exposures as it relates to financial instruments

- Credit risk

  Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company's credit risk is primarily attributable, accounts receivable and due from related parties. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash on hand deposited with reputable financial institutions which is closely monitored by management. Management believes credit risk with respect to accounts receivable and due from related parties is minimal. The Company’s maximum exposure to credit risk is the carrying value of cash held in merchant accounts and accounts receivable.

- Liquidity risk

  Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting its operations and anticipating its operating and investing activities.

- Market risk

  Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

- Interest rate risk

  Interest rate risk consists of a) the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities. The Company is not exposed to interest rate price risk.

- Foreign currency risk

  The Company buys inventory and sells products in several countries. The Company is exposed to foreign currency risk from fluctuations in foreign exchange rates and the degree of volatility in these rates due to the timing of their accounts payable balances. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

- Transactions in foreign currencies are translated to the respective functional currencies at the spot rate on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in income.

- Other price risk

  Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

- Seasonality

  The Company does not consider its business to be seasonal with the exception for April 20 ("Four Twenty") sales.

- Inflation and changing prices

  Neither inflation nor changing prices for the three months ended December 31, 2107 had a material impact on operations of the Company.

Risk factors related to the Company and U.S. cannabis regulatory overview

- United States federal overview

  In the United States, 30 states, the District of Columbia and the U.S. territories of Guam and Puerto Rico, allow the use of medical cannabis. In the states of Alaska, California, Colorado, Maine, Massachusetts, Nevada, Oregon, and Washington the sale and adult-use of recreational cannabis is legal.

  At the federal level, however, cannabis currently remains a Schedule I controlled substance under the Federal Controlled Substances Act of 1970 ("Federal CSA"). Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. As such, even in those states in which cannabis is legalized under state law, the manufacture, importation, possession, use or distribution of cannabis remains illegal under U.S. federal law. This has created a dichotomy between state and federal law, whereby many states have elected to regulate and remove state-level penalties regarding a substance which is still illegal at the federal level.

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

  Rescission of the 2013 Cole Memorandum

  a) On January 4, 2018, U.S. Attorney General Jeff Sessions rescinded the 2013 Cole Memorandum, replacing it with the "Sessions Memorandum". The stated rationale of the U.S. DOJ in doing so was that the 2013 Cole Memorandum was "unnecessary" due to existing general enforcement guidance adopted in the 1980s, as set forth in the U.S. Attorneys' Manual (the "USAM"). The USAM enforcement priorities, like those of the 2013 Cole Memorandum, are also based on the federal government's limited resources, and include "law enforcement priorities set by the Attorney General", the "seriousness" of the alleged crimes, the "deterrent effect of criminal prosecution" and "the cumulative impact of particular crimes on the community".

  b) While the Sessions Memorandum is not law itself and therefore does not change U.S. federal law, it does add to the uncertainty of U.S. federal enforcement of the Federal CSA in states where cannabis is legal under state law. The Sessions Memorandum gives U.S. Attorneys discretion in deciding

whether to prosecute cannabis-related activities, including in such states that have legalized cannabis. While the Sessions Memorandum emphasized that cannabis is a Schedule I controlled substance and reiterated the statutory view that cannabis is a "dangerous drug and marijuana activity is a serious crime", it does not otherwise confirm for U.S. Attorneys that prosecution of cannabis-related offenses is now a U.S. DOJ priority.

Anti-Money laundering laws, banking regulations and bankruptcy protection

a) Under U.S. federal law, it may be a violation of federal money laundering statutes for financial institutions to take any proceeds from the sale of cannabis or any other Schedule I controlled substance under the Federal CSA. Canadian banks are likewise hesitant to deal with cannabis companies due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions, particularly those that are federally chartered in the U.S., could be prosecuted and possibly convicted of money laundering for providing services to businesses with operations or a connection to cannabis. Despite these laws, the

b) U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN") issued a memorandum on February 14, 2014 (the "FinCEN Memorandum") outlining the pathways for financial institutions to bank state-sanctioned cannabis businesses in compliance with federal enforcement priorities. The FinCEN Memorandum echoed the enforcement priorities of the 2013 Cole Memorandum. Under these guidelines, financial institutions must submit a Suspicious Activity Report ("SAR") in connection with all cannabis-related banking activities by any client of such financial institution, in accordance with federal money laundering laws. These cannabis-related SARs are divided into three categories, being marijuana limited, marijuana priority and marijuana terminated, which are based on the financial institution's belief that the business in question follows state law, is operating outside of compliance with state law or where the banking relationship has been terminated, respectively.

c) On the same day the FinCEN Memorandum was published, the U.S. DOJ issued a memorandum (the "2014 Cole Memorandum") directing prosecutors to apply the enforcement priorities of the 2013 Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of cannabis-related conduct. The 2014 Cole Memorandum was also rescinded as of January 4, 2018, along with the 2013 Cole Memorandum, removing guidance that enforcement of applicable financial crimes against state-compliant actors was not a U.S. DOJ priority.

d) However, U.S. Attorney General Jeff Sessions' rescission of the 2013 Cole Memorandum and the 2014 Cole Memorandum has not affected the status of the FinCEN Memorandum, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself. Though it was originally intended for the 2014 Cole Memorandum and the FinCEN Memorandum to work in tandem, the FinCEN Memorandum appears to be a standalone document which explicitly lists the eight enforcement priorities originally cited in the 2013 Cole Memorandum. As such, the FinCEN Memorandum remains intact.

e) While the FinCEN Memorandum has not been rescinded by the U.S. DOJ at this time, it remains unclear whether the current administration will follow its guidelines. Overall, the U.S. DOJ continues to have the right and power to prosecute crimes committed by banks and financial institutions, such as money laundering and violations of the Bank Secrecy Act, that occur in any state, including in states that have legalized the applicable conduct, and the U.S. DOJ's current enforcement priorities could change for any number of reasons, including a change in the opinions of the President of the United States or the U.S. Attorney General. A change in the U.S. DOJ's enforcement priorities could result in the U.S. DOJ prosecuting banks and financial institutions for crimes that previously were not prosecuted.

f) Banks often refuse to provide banking services to businesses involved in the cannabis industry due to the present state of the laws and regulations governing financial institutions in the United States. The lack of banking and financial services presents unique and significant challenges to businesses operating in and ancillary to the cannabis industry. The potential lack of a secure place in which to deposit and store cash, the inability to pay creditors through the issuance of checks and the inability to secure traditional forms of operational financing, such as lines of credit, are some of the many challenges presented by the lack of traditional banking and financial services available to businesses operating in or ancillary to the cannabis industry.

g) Additionally, the Company does not have protection under U.S. bankruptcy laws. U.S. bankruptcy laws were adopted to protect financially troubled businesses and to provide for orderly distributions to business creditors. All bankruptcy cases are handled in U.S. federal courts, and the U.S. DOJ has stated that it is the U.S. Trustee Program's ("USTP") position that no assets associated with the cannabis industry can be liquidated or restricted following bankruptcy without violating the Federal CSA. In addition, the Director of the USTP recently issued a letter to 1,100 trustees who administer bankruptcy cases urging the trustees to monitor and report to the U.S. DOJ cannabis companies looking to declare bankruptcy.

h) If any of the Company's operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations in the United States are found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Company to declare or pay dividends and could affect other distributions, including the Company's ability to transfer funds into Canada. Furthermore, while the Company has no current intentions to declare or pay dividends in the foreseeable future, if a determination was made that the Company's proceeds from operations (or any future operations or investments in the United States) could reasonably be shown to constitute proceeds of crime, the Company may decide, or be required, to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Enforcement of U.S. Federal Laws

a) Enforcement of U.S. federal law is a significant risk to cannabis businesses operating in the United States, including the Company. The rescission of the 2013 Cole Memorandum increased the uncertainty and risk associated with the enforcement of U.S. federal laws regarding the production,

manufacture, processing, possession, distribution, sale and use of cannabis. There is no certainty as to how the U.S. DOJ, the U.S. Federal Bureau of Investigation and other government agencies will handle cannabis matters now that the 2013Cole Memorandum is no longer in effect.

b) There can be no assurance that the U.S. federal government will not seek to prosecute cases involving cannabis businesses, including those of the Company, notwithstanding compliance with state law. Such proceedings could have a material adverse effect on the Company's business, revenues, operating results and financial condition, as well as the Company's reputation and ability to raise capital.

c) Further, violations of any U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the

d) U.S. federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Company, including its reputation and ability to conduct business, its ability to list its securities on stock exchanges, its financial position, its operating results, its profitability or liquidity or the value of its securities. In addition, the time of management and advisors of the Company and resources that would be needed for the investigation of any such matters or their final resolution could be substantial.

e) Enforcement proceedings and the Leahy amendment. Although the 2013 Cole Memorandum and 2014 Cole Memorandum have been rescinded, one legislative safeguard for the medical cannabis industry remains in place. U.S. Congress has used a rider provision in the fiscal year 2015, 2016 and 2017 Consolidated Appropriations Acts (currently, the "Leahy Amendment") to prevent the U.S. federal government from using congressionally appropriated funds to enforce federal cannabis laws against regulated cannabis actors operating in compliance with state and local law. The Leahy Amendment was included in the fiscal year 2018 budget passed on March 23, 2018, meaning that, the Leahy Amendment is in effect until September 30, 2018 when the fiscal year ends. It is uncertain whether the U.S. Congress will extend this prohibition beyond such expiration date. As the Leahy Amendment protects only state medical cannabis actors, there can be no assurance that U.S. federal prosecutors will not use U.S. DOJ funds to interfere with state adult-use cannabis actors.

Ability to access public and private capital

a) While the Company is not able to obtain bank financing in the United States or financing from other federally regulated entities, the Company's executive team and board of directors have relationships with potential sources of private capital (such as funds and high net worth individuals).

b) Commercial banks, private equity firms and venture capital firms have approached the cannabis industry cautiously to date. While there has been an increase in the amount of private financing available over the last several years, there is neither a broad nor deep pool of institutional capital that is available to participants in the United States cannabis industry. There can be no assurance that additional financing will be available to the Company when needed or on acceptable terms. The

Company's inability to raise financing to fund its ongoing operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability and operations.

- State-Level regulatory overview

The following sections present a summary overview of the cannabis regulatory framework in the states in which the Company is currently operating, namely Oregon, Nevada and California. Strict compliance with such laws may neither absolve the Company of liability under U.S. federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company.

Summary of Oregon regulatory framework

a) In 1998, Oregon voters passed a limited non-commercial patient/caregiver medical cannabis law allowing physicians to recommend cannabis for certain qualifying conditions such as chronic pain. In 2013, the Oregon legislature passed, and the governor signed, House Bill 3460 to create a regulatory structure for the existing unlicensed medical cannabis program. This program is known as the Oregon Medical Marijuana Program ("OMMP"). However, the regulations created by the Oregon Health Authority ("OHA") under House Bill 3460 were minimal and only regulated dispensaries, leaving cultivators and processors within the unregulated patient/caregiver system. In November 2014, Oregon voters passed Measure 91, creating the Recreational Marijuana Program for individuals 21 years of age or older. In June 2015,

b) Oregon Governor Brown signed House Bill 3400 into law, which improved on the existing OMMP and created a licensing process for businesses hoping to enter the Recreational Marijuana Program.

c) The OHA regulates OMMP participants while the OLCC regulates the Recreational Marijuana Program, which includes producers, processors, wholesalers, laboratories, and retailers who sell recreational cannabis to consumers as well as medical grade cannabis to OMMP patients tax-free.

d) The laws and rules that govern the Recreational Marijuana Program do not impose a limit on the number of licenses an entity can hold. Further, the OLCC currently accepts applications for either medical or recreational cannabis businesses on a rolling basis. Local governments have the authority to prohibit or restrict the number of medical or recreational cannabis businesses within their jurisdictions. There are no residency requirements for medical or recreational licenses in Oregon.

e) The Company holds processing, cultivation and wholesaling licenses issued by the OLCC. While the Company has implemented a system of policies and procedures to help ensure compliance with the laws and regulations that govern the Recreational Marijuana Program, as described below, the Company was recently sanctioned and fined by the OLCC for regulatory violations. The Company received written notice from the OLCC on November 28, 2017 regarding alleged regulatory violations that carry significant penalties, including the potential loss of the Company's OLCC licenses. As part of the OLCC's investigation into potential non-compliance by the Company, OLCC representatives inspected the Company's extraction facility in Medford, Oregon on a number of occasions. As a result of its investigation, on March 13, 2018, the OLCC issued to the Company a Notice of Proposed Civil

Liability detailing four instances of regulatory violations, including (i) improper placement of security cameras, (ii) inadequate camera coverage, (iii) failure to obtain required pre-approval prior to making changes to its licensed premises, and (iv) failure to properly report a transaction in METRC. The OLCC imposed a fine of US$ 6,930 as a consequence of such violations. On March 20, 2018, the Company accepted responsibility to pay the fine and reiterated to the OLCC the Company's commitment to ongoing regulatory compliance. While the investigation is now concluded, and the Company has remedied the violations identified by the OLCC, the Company may be subject to additional regulatory investigations in the future. Any future instances or allegations of regulatory non-compliance could lead to more significant fines or sanctions, including potential loss of licenses, particularly considering the previous findings of non-compliance by the OLCC.

f) The Company has implemented a system of policies and procedures that it uses to ensure compliance with the laws and regulations that govern the Recreational Marijuana Program, which includes the following measures: (i) a daily meeting of the Medford facility's senior leadership regarding compliance matters; (ii) daily comparison of the Company's physical inventory to the Company's inventory in the OLCC's seed-to-sale tracking system ("METRC"), and the resolution of any discrepancies between these numbers; (iii) review of every incoming and outgoing manifest to ensure accuracy, and the report to the OLCC of manifests that have not been closed; (iv) daily review of other production tracking documents (e.g., pesticide tracking log, delivery schedule) for discrepancies and anomalies; (v) ensuring that a mandatory hold is placed on every outgoing product for 24 hours, and such product is placed under camera surveillance during this time, until after it is counted and properly recorded in METRC; (vi) ensuring that only authorized personnel remove cannabis from the licensed facility under the same security cameras, and at the same time every day; (vii) daily random check of inventory conducted by the Medford facility's senior leadership; (viii) monitoring of security cameras for suspicious activity by security staff; and, (ix) a once-weekly review of all METRC entries by the Medford facility's senior leadership.

g) The Company believes it is currently in full compliance with Oregon state law and OLCC licensing requirements.

Summary of Nevada regulatory framework

a) In 2000, Nevada voters passed a medical cannabis initiative allowing physicians to recommend cannabis for certain qualifying conditions such as chronic pain. The initiative created a limited, non-commercial medical cannabis patient/caregiver system. In 2013, Senate Bill 374 was passed by Nevada's legislature and signed by the Governor, which expanded the medical cannabis program and established a for-profit regulated medical cannabis industry. In November 2016, Nevada voters passed an adult-use cannabis ballot measure.

b) The application process for a Nevada medical cannabis license is merit-based, competitive and is currently closed. Nevada residency is not required to own or invest in a Nevada medical cannabis business. Nevada's medical cannabis law includes patient reciprocity, which permits medical patients from other states to purchase cannabis from Nevada dispensaries. Nevada also allows medical dispensaries to deliver medical cannabis to patients in Nevada. The Nevada Division of Public and Behavioral Health was responsible for licensing medical cannabis establishments until

July 1, 2017, when the medical cannabis program merged with the adult-use cannabis program. The single regulatory agency is now known as The Marijuana Enforcement Division of the Department of Taxation (the "Department of Taxation").

c) Under Nevada's adult-use cannabis program, the Department of Taxation licenses cannabis cultivation facilities, manufacturing facilities, distributors, retail stores and testing facilities. For the first 18 months, applications for adult-use cannabis licenses can be accepted from only existing medical cannabis establishments or existing liquor distributors. On January 16, 2018, the Department of Taxation issued final rules governing its adult-use cannabis program, pursuant to which up to 66 permanent adult-use cannabis dispensary licenses will be issued.

d) The Company has entered into the Management Agreement with Just Quality, which holds a cannabis product manufacturing license issued by the Department of Taxation. The Company itself does not hold, nor does it have any present intentions to hold, any Nevada cannabis licenses. Instead, the Company intends to assist Just Quality with the management and operation of its cannabis processing facility through the Management Agreement pursuant to which the Company will be entitled to a percentage of the gross revenues generated by the facility in exchange for provision of management services to Just Quality.

e) The Company believes that its contractual operating structure with Just Quality is compliant with Nevada state law and the Department of Taxation's regulations; regardless, there is a risk that regulators will disagree with this assessment.

Summary of California regulatory framework

a) In 1996, California voters passed a medical cannabis law allowing physicians to recommend cannabis for qualifying conditions such as chronic pain. In 2016, California voters passed the Control, Regulate and Tax Adult Use of Marijuana Act, which legalized adult-use cannabis for adults over 21 years of age and created a licensing system for commercial cannabis businesses. In June 2017, California Governor Brown signed Senate Bill 94 into law, which combined California's medical and adult-use framework into one licensing scheme under the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA").

b) Pursuant to MAUCRSA, (i) the California Department of Food and Agriculture, via CalCannabis, issues licenses to cannabis cultivators, (ii) the California Department of Public Health, via the Manufactured Cannabis Safety Branch, issues licenses to cannabis manufacturers, and (iii) the California Department of Consumer Affairs, via the Bureau of Cannabis Control, issues licenses to cannabis distributors, testing laboratories, retailers and microbusinesses. MAUCRSA provides 20 different types of cannabis licenses across six different categories:

    I. Cultivation Facility: license to cultivate, process and package cannabis; and to sell cannabis to cannabis distributors, but not to consumers.

    II. Distributor: license to purchase cannabis from cultivators, manufacturers and other distributors; to store cannabis; to have cannabis tested by a testing facility; to sell cannabis

to other distributors and to retailers; and to transport cannabis from a cannabis licensee's premises to another cannabis licensee's premises.

III. Product Manufacturing Facility: license to purchase cannabis from distributors; to manufacture, process, and package cannabis and cannabis products; and to sell cannabis and cannabis products to distributors but not to consumers. Pursuant to this category, cannabis products include edibles, ointments, tinctures, oils and other concentrates.

IV. Testing Laboratory: license to test cannabis and cannabis products for potency and contaminants.

V. Retailer: license to purchase cannabis and cannabis products from distributors, as well as to sell cannabis and cannabis products directly to consumers.

VI. Microbusiness: license to cultivate cannabis on an area less than 10,000 square feet; to purchase cannabis from cultivators, manufacturers and distributors; to store cannabis; to have cannabis tested by a testing facility; to sell cannabis to retailers and distributors; to transport cannabis from one cannabis licensee's premises to another; to manufacture, process and package cannabis and cannabis products; and to sell cannabis and cannabis products directly to consumers.

There is no limit on the number of state licenses an entity may hold; however, testing laboratory licensees may not have any other type of license. To operate a cannabis business legally under California state law, cannabis businesses must also obtain local approval. Local governments are permitted to prohibit or otherwise regulate the types and numbers of cannabis businesses allowed in their locality. All three state regulatory agencies require confirmation from the locality that the business is operating in compliance with local requirements and was granted authorization to commence or continue operations within the locality's jurisdiction. There are no residency requirements for medical or adult-use licenses under MAUCRSA.

In 2017 the Company acquired 100% of the membership interests of Coastal Harvest, LLC ("Coastal Harvest"), which currently holds a Cannabis Business Local License issued by the city of Cathedral City, California; a Temporary Type 7 Manufacturing License for Medicinal Cannabis Products issued by the California Department of Public Health; and, a Temporary Type 7 Manufacturing License for Adult-Use Cannabis Products issued by the California Department of Public Health. Coastal Harvest is in the process of building out its cannabis manufacturing facility in Cathedral City, California, and is in the process of applying for an Annual Type 7 Manufacturing License for Adult-Use Cannabis Products to the California Department of Public Health. The Company anticipates that it will be able to begin manufacturing and selling cannabis products in California through Coastal Harvest in approximately September 2018.

- Compliance with applicable state Law in the United States

The Company works closely with its legal counsel, operating partners and regulatory officials to maintain compliance with applicable state and local regulatory requirements. The Company will continue to do so to develop and improve its internal compliance programs to help ensure ongoing regulatory compliance.

Please see the discussion above regarding a recently concluded investigation by the OLCC, which resulted in findings of regulatory non-compliance by the Company in Oregon, and the imposition of a fine of US$ 6,930 as a consequence of such violations.

Additional risk factors

In addition to the foregoing U.S. regulatory overview and risk discussion, prospective investors should carefully consider each of the additional Risk Factors set out below before deciding to invest in the Company.

A purchase of securities of the Company is speculative, involving a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a major portion of an individual's investment portfolio and should be made only by persons who can afford a total loss of their investment. Prospective purchasers should carefully evaluate the following risks associated with an investment in the Company's securities.

These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties may also impair the operations of the Company. If any such risks occur, investors of the Company could lose all or part of their investment; the business, financial condition, liquidity, results of operations and prospects of the Company could be materially affected; and, the ability of the Company to implement its growth plans could be adversely affected.

- Risks related to the United States statutory and regulatory framework

  The Company's U.S. cannabis operations are illegal under U.S. federal law and the enforcement of relevant laws is a significant risk.

  Under the Federal CSA, cannabis is classified as a Schedule I drug. Even in those states in which the use of cannabis has been legalized under state law, its production, manufacture, processing, possession, distribution, sale and use remains a federal crime. Since U.S. federal law criminalizing cannabis pre-empts state laws that legalize it, strict enforcement of U.S. federal law regarding cannabis would result in our inability to proceed with our business plan. There can be no assurance that the U.S. federal government will not seek to prosecute cases involving cannabis-related businesses, including the business of the Company. Companies and individuals involved with or in our business, including investors, may be exposed to criminal liability, and any real or personal property used in connection with our business could be subject to seizure and forfeiture to the U.S. federal government or its agencies.

  As a result of the conflicting views between state legislatures and the U.S. federal government regarding the legality of cannabis, cannabis-related businesses in the United States are subject to inconsistent legislation, regulation and enforcement. Unless and until the United States Congress amends the Federal CSA with respect to cannabis or the Drug Enforcement Agency reschedules or de-schedules cannabis

(and there can be no assurance as to the timing or scope of any such potential amendments), there is a risk that U.S. federal authorities may enforce current U.S. federal law, which would adversely affect the Company. As a result of the inconsistency between state and federal law, there are a number of risks associated with the Company's existing and proposed operations in the United States.

- The Company's business is highly regulated and evolving rapidly.

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

  The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable regulations may result in additional costs for corrective measures, penalties or restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations or increased compliance costs, or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

- The Company's ability to expand our business to California, Nevada, Canada and other jurisdictions is uncertain.

  The Company intends to continue expanding its operations in California, Nevada, Canada and other jurisdictions. The ability of the Company to do so, from both an operational and regulatory perspective, is subject to significant uncertainty and risks. The Company will need to obtain and maintain licenses, permits and other authorizations to operate a business involving cannabis in these jurisdictions, and the Company cannot guarantee it will be able to successfully do so, or the amount of time and resources that will be required to do so. In addition to regulatory uncertainty, we expect the cannabis market in California, Nevada and Canada to be highly competitive. We cannot provide any assurances that we will be able to successfully expand our business to these or other jurisdictions.

  The Company does not hold a license in Nevada but has entered into a Management Agreement with a cannabis business licensed in Nevada.

  The Company intends to operate in Nevada through a contractual arrangement with an arm's length company that is licensed to manufacture cannabis products. The Company has entered into a Management Agreement with Just Quality, which holds a cannabis product manufacturing license issued by Nevada's Department of Taxation. The Company itself does not hold, nor does it have any present intentions to hold, any Nevada cannabis licenses. The Company believes that its contractual operating structure with Just Quality is compliant with Nevada state law and the Department of Taxation's regulations; regardless, there is a risk that regulators will disagree with this assessment

- The Company was recently under investigation by the OLCC for alleged regulatory violations.

  The Company received written notice from the OLCC on November 28, 2017 regarding alleged regulatory violations that carry significant penalties, including the potential loss of the Company's OLCC

licenses. As part of the OLCC's investigation into potential non-compliance by the Company, OLCC representatives inspected the Company's extraction facility in Medford, Oregon on a number of occasions. As a result of its investigation, on March 13, 2018, the OLCC issued to the Company a Notice of Proposed Civil Liability detailing four instances of regulatory violations, including (i) improper placement of security cameras, (ii) inadequate camera coverage, (iii) failure to obtain required pre-approval prior to making changes to its licensed premises, and (iv) failure to properly report a transaction in METRC. The OLCC imposed a fine of US$ 6,930 as a consequence of such violations. On March 20, 2018, the Company accepted responsibility to pay the fine and reiterated to the OLCC the Company's commitment to ongoing regulatory compliance. While the investigation is now concluded, and the Company has remedied the violations identified by the OLCC, the Company may be subject to additional regulatory investigations in the future. Any future instances or allegations of regulatory non-compliance could lead to more significant fines or sanctions, including potential loss of licenses, particularly considering the previous findings of non-compliance by the OLCC.

- Laws will continue to change rapidly for the foreseeable future and local laws and ordinances could restrict the Company's business operations.

- Local, state and federal laws and enforcement policies concerning cannabis-related conduct are changing rapidly and will continue to do so for the foreseeable future. There can be no assurance that existing state laws that legalize and regulate the production, sale and use of cannabis will not be repealed, amended or overturned. In addition, local governments have the ability to limit, restrict and ban cannabis- related businesses from operating within their jurisdictions. Land use, zoning, local ordinances, and similar laws could be adopted or changed in a manner that makes it extremely difficult or impossible to transact business in certain jurisdictions. These potential changes in state and local laws are unpredictable and could have a material adverse effect on the Company's business.

- The Company may be subject to heightened scrutiny by Canadian regulatory authorities.

  For the reasons set forth herein, the Company's existing investments and operations in the United States, and any future investments and operations, may become the subject of heightened scrutiny by regulators, stock exchanges, third party service providers, financial institutions, depositories and other authorities in Canada and the United States. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to operate in the United States, Canada and other jurisdictions.

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

guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented at a time when the Company's common shares are listed on a Canadian stock exchange, it would have a material adverse effect on the ability of holders of the Company's common shares to make and settle trades. In particular, the Company's common shares would become highly illiquid until an alternative was implemented, and investors would have no ability to effect a trade of the Company's common shares through the facilities of the applicable stock exchange.

- Banking regulations in the cannabis industry may create significant challenges to the Company's operations.

  a) Because banks in the U.S. often refuse to provide banking services to businesses involved in the cannabis industry due to the present state of the laws and regulations governing financial institutions, the Company faces unique and significant challenges in operating its business. Canadian banks are likewise hesitant to deal with cannabis companies due to the uncertain legal and regulatory framework of the industry. Therefore, the Company may face a potential lack of a secure place in which to deposit and store cash, the inability to pay creditors through the issuance of checks and the inability to secure traditional forms of operational financing, such as lines of credit.

  b) The Company's investments in the United States may be subject to applicable U.S. anti-money laundering laws and regulations.

  c) Under U.S. federal law, it may be a violation of money laundering statutes for financial institutions to take any proceeds from the sale of cannabis or any other Schedule I controlled substance under the Federal CSA. Banks and other financial institutions, particularly those that are federally chartered in the United States, could be prosecuted and possibly convicted of money laundering for providing services to businesses with operations or a connection to cannabis. Therefore, investments held in U.S. banks are subject to seizure by the U.S. federal government.

  d) If any of the Company's operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime. This could restrict or otherwise jeopardize the ability of the Company to declare or pay dividends and could affect other distributions, including the Company's ability to transfer such funds into Canada.

  e) Furthermore, while the Company has no current intentions to declare or pay dividends in the foreseeable future, in the event that a determination was made that the Company's proceeds from operations (or any future operations or investments in the United States) could reasonably be shown to constitute proceeds of crime, the Company may decide, or be required, to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Risks related to the business of the Company

- The Company has limited operating history and faces the risks associated with any new business operating in a competitive industry.

The Company's business was formed in 2016 and has a limited operating history. We have only manufactured and sold products in the State of Oregon, and we have yet to commence manufacturing and sales in California or provide management services in Nevada. We face the general risks associated with any new business operating in a competitive industry, including the ability to fund our operations from unpredictable cash flow and capital-raising transactions. The likelihood of the Company's success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the formation of a new business, the development of a new strategy and the competitive environment in which the Company operates. There can be no assurance that the Company will achieve its anticipated investment objectives or operate profitably.

Any financial projections and business plans that have been disclosed to you (in writing, orally or otherwise) reflect the Company's intentions and estimates, but they may not be realized and are subject to change in all respects.

Any financial projections and business plans that have been disclosed to you were based on a variety of estimates and assumptions, which may not be realized and are inherently subject to significant business, economic, legal, regulatory and competitive uncertainties, many of which are beyond the Company's control. There can be no assurance that any projections and plans that have been disclosed to you will be realized, and actual results may materially differ from such projections and plans.

- The Company will need to raise additional financing to fund its operations and satisfy its obligations.

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

The OLCC requires pre-approval of investments of US$ 50,000 or more, which could delay the Company's ability to raise the additional capital it needs to fund its ongoing operations. Under OLCC regulations and existing policy, any equity or debt investment in an OLCC-licensed business of US$ 50,000 or more is considered a "financial interest", which requires the approval of the OLCC prior to the issuance of the financial interest. The OLCC has also notified the Company that any person investing an amount of US$ 50,000 or greater must be fingerprinted and pass a criminal background check as part of the pre-approval process. All investors in the proposed offering of convertible promissory notes and warrants by the Company must go through this criminal background check process before investing in the Company. This approval process could lead to delays in the Company's ability to raise the additional capital it needs to fund its ongoing operations, as described below.

- Customers for the Company's U.S. cannabis business are limited.

  The customers of our U.S. cannabis business are limited to other licensed cannabis businesses within the states in which we operate. The sale of cannabis and cannabis-related products across state lines in the United States is not permitted. Consequently, we have a limited customer base.

  The Company's business is highly competitive.

  The regulated cannabis market is intense, rapidly evolving and competitive. There can be no assurance that our competitors, some of which have longer operating histories and more resources than us, will not develop products and services that achieve greater market share than our products and services. Such competitive forces could have a material adverse impact on our business, operating results and financial condition.

- The Company will not be able to deduct many normal business expenses for U.S. federal income tax purposes.

  Under Section 280E of the U.S. Internal Revenue Code ("Section 280E"), many normal business expenses incurred in the trafficking of cannabis and its derivatives are not deductible in calculating U.S. federal income tax liability. As a result, businesses that are subject to Section 280E have significantly higher tax expenses than non-Section 280E businesses and often owe federal income taxes even if the business is not profitable. The application of Section 280E likely will have a material adverse effect on the Company's U.S. federal income tax obligations.

- Third party service providers could suspend or withdraw services as a result of our cannabis business.

  As a result of any adverse change to the approach in enforcement of U.S. cannabis laws, adverse regulatory or political change, additional scrutiny by regulatory authorities, adverse changes in public perception in respect of the consumption of cannabis or otherwise, third party service providers to the Company could suspend or withdraw their services, which may have a material adverse effect on the Company's business, revenues, operating results, financial condition or prospects.

  Courts may not enforce the Company's contracts.

  It is a fundamental principle of law that a contract will not be enforced if it involves a violation of law or public policy. Because cannabis remains illegal in the United States at the federal level, judges in multiple states have on a number of occasions refused to enforce contracts for the repayment of money when the loan was used in connection with activities that violate U.S. federal law, even if there was no violation of state law. There remains doubt and uncertainty that the Company will be able to legally enforce contracts it enters into, if necessary. The Company cannot be assured that it will have a remedy for breach of contract, which would have a material adverse effect on the Company.

- The Company faces possible competition from synthetic cannabis production and technological advances.

The pharmaceutical industry may attempt to enter the cannabis industry, and in particular, the medical cannabis industry, through the development and distribution of synthetic products that emulate the effects of and treatment provided by naturally-occurring cannabis. If synthetic cannabis products are widely adopted, the widespread popularity of such synthetic cannabis products could change the demand, volume and profitability of the cannabis industry. This could adversely affect the ability of the Company to secure long-term profitability and success through the sustainable and profitable operation of its business.

- There are risks inherent in an agricultural business.

  Cannabis is an agricultural product. There are risks inherent in the agricultural business, such as damage to crops caused by insects, plant diseases, pesticide contamination and similar agricultural risks. There can be no assurance that such elements will not have a material adverse effect on the production of the Company's products.

- The Company's success depends on the skills and expertise of its officers, key employees and advisors.

  The Company's success substantially depends on the skills, talents, abilities and continued services of our officers, key employees and advisors. There is no guarantee that our officers and employees will manage our business successfully.

  The Company's success depends on its ability to hire and retain additional qualified individuals.

  The Company's success substantially depends on our ability to hire and retain individuals to implement our business plan. There is no assurance that we will be able to hire or retain qualified individuals, or that the individuals hired will be able to successfully implement our business plan.

- Environmental risk and regulation could adversely affect the Company's operations.

  Our operations are subject to environmental regulation in the various jurisdictions in which we operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's business, revenues, operating results, financial condition or prospects.

- The Company may not be successful in obtaining required government approvals and permits.

  Government approvals and permits are currently, and may in the future, be required in connection with the Company's operations. To the extent such approvals are required and are not obtained or lapse, the Company may be curtailed or prohibited from its proposed production of medical or adult-use cannabis or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or other remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed on it for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing the production of medical and adult-use cannabis, or a more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenses, capital expenditures or production costs, could cause a reduction in levels of production or could require abandonment or delays in development.

Public opinion, consumer perception or unfavorable publicity could influence the regulation of the cannabis industry.

Public opinion may also significantly influence the regulation of the cannabis industry in Canada, the United States or elsewhere. Public opinion and support for medical and adult-use cannabis has traditionally been inconsistent and h a s varied from jurisdiction to jurisdiction. A negative shift in the public's perception of cannabis in the United States or any other applicable jurisdiction could affect future legislation or regulation of cannabis. Among other things, such a shift could cause state jurisdictions to abandon initiatives or proposals to legalize medical and/or adult-use cannabis, thereby limiting the number of new jurisdictions into which the Company could expand. Any inability to fully implement the Company's expansion strategy may have a material adverse effect on the Company's business, results of operations or prospects.

- The Company could face product liability claims.

  As a manufacturer and distributor of products designed to be ingested by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of cannabis involves the risk of injury to consumers due to tampering by unauthorized third parties or by product contamination. Previously unknown adverse reactions resulting from human consumption of products sold or marketed by the Company, alone or in combination with other medications or substances, could occur. As a manufacturer, distributor and retailer of adult-use and medical cannabis, or in its role as an investor in, or service provider to, an entity that is a manufacturer, distributor and/or retailer of adult-use or medical cannabis, the Company may be subject to various product liability claims, including, among others, that the cannabis product that caused injury or illness included inadequate instructions for the use of the product, or included inadequate warnings concerning possible side effects of or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on the business, results of operations, financial condition or prospects of the Company. There can be no assurances that the Company will be able to maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms or at all. The inability to maintain sufficient insurance coverage on reasonable terms or to otherwise protect

against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products or otherwise have a material adverse effect on the business, results of operations, financial condition or prospects of the Company.

Product recalls could adversely affect the Company's operations. Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. Such recalls can cause unexpected expenses, legal proceedings and the loss of a significant amount of sales. In addition, a product recall may require significant management attention, and the reputation of the recalled product's brand and the Company could be harmed. Additionally, product recalls can lead to increased scrutiny of operations by applicable regulatory agencies, requiring further management attention and potential legal fees and other expenses.

- Results of future clinical research could influence the regulation of the cannabis industry and may have an adverse effect on the Company's business.

  The Company believes the medical and adult-use cannabis industries are highly dependent upon consumer perception regarding the safety, efficacy and quality of cannabis. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research or findings, regulatory investigations, litigation, media attention or other publicity will be favorable to the cannabis industry or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory investigations, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or other publicity could have a material adverse effect on the demand for medical or adult-use cannabis and on the business, results of operations, financial condition, cash flows or prospects of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or associating the consumption of medical and adult-use cannabis with illness or other negative effects or events, could have such a material adverse effect on the business, results of operations or prospects of the Company. There is no assurance that such adverse publicity reports or other media attention will not arise.

- The Company is reliant on key inputs to manufacture its products, and changes in the availability or pricing of such key inputs could adversely affect the Company's operations.

  The Company's cannabis business is dependent on a number of key inputs, including raw materials and supplies related to growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition, results of operations or prospects of the Company. Some of these inputs may be available from only a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, the Company might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Company in the future. Any inability to secure required supplies

and services or to do so on reasonable terms could have a material adverse effect on the business, financial condition, results of operations or prospects of the Company.

- The Company may not be able to adequately protect its intellectual property.

  The Company has certain proprietary intellectual property, including, but not limited to, brands, trademarks, trade names, trade secrets and proprietary processes. The Company relies on this intellectual property, know-how and other proprietary information, and requires employees, consultants and suppliers to sign confidentiality agreements. However, these confidentiality agreements may be breached, and the Company may not have adequate remedies for such breaches. Third parties may independently develop substantially equivalent proprietary information without infringing upon any proprietary intellectual property or may otherwise gain access to the Company's proprietary information and adopt it in a competitive manner. Any loss of intellectual property protection may have a material adverse effect on the Company's business, results of operations or prospects.

  As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance pursuant to the Federal CSA, the benefit of certain U.S. federal laws and protections which may be available to most businesses, such as federal trademark and patent protection for the intellectual property of a business, may not be available to the Company. As a result, the Company's intellectual property may never be adequately or sufficiently protected against use or misappropriation by third parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, the Company can provide no assurance that it will ever obtain any protection of its intellectual property.

  whether on a federal or state level. While many states do offer trademark protection independent of the federal government, patent protection is wholly unavailable on the state level, and state-registered trademarks provide a lower degree of protection than federally-registered marks.

- The Company's insurance coverage may not sufficiently cover claims against the Company.

  Although the Company maintains insurance to protect against certain risks in amounts that it considers to be reasonable, our insurance does not cover all the potential risks associated with our operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in our operations are not generally available on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its business, results of operations, financial condition or prospects.

  The Company's directors and officers may have a conflict of interest due to their involvement in other businesses.

  Certain of the Company's directors and officers of the Company are involved with other business ventures that may be competitive with the Company's business. Situations may arise where the personal

interests of these directors and officers conflict with or diverge from the Company's interests. In accordance with applicable corporate law, directors who have a material interest in or who are parties to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such contracts. In addition, directors and officers are required to act honestly with a view to the Company's best interests. However, in conflict of interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Company. Circumstances (including future corporate opportunities) may arise that may be resolved in a manner that is unfavorable to the Company.

- The Company faces risks associated with potential acquisitions.

  As part of the Company's overall business strategy, the Company intends to pursue select strategic acquisitions, which would provide additional product offerings, vertical integrations, additional industry expertise and a stronger industry presence in both existing and new jurisdictions. The success of any such acquisitions will depend, in part, on the ability of the Company to realize the anticipated benefits and synergies from integrating those companies into the businesses of the Company. Future acquisitions may expose the Company to potential risks, including risks associated with: (i) the integration of new operations, services and personnel, (ii) unforeseen or hidden liabilities, (iii) the diversion of resources from the Company's existing business and technology, (iv) potential inability to generate sufficient revenue to offset new costs, (v) the expense of acquisitions, and (vi) the potential loss of or harm to relationships with both employees and existing customers resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

  While the Company intends to conduct reasonable due diligence in connection with such strategic acquisitions, there are risks inherent in any acquisition. Specifically, there could be unknown or undisclosed risks or liabilities of such companies for which the Company is not sufficiently indemnified. Any such unknown or undisclosed risks of liability could materially and adversely affect the Company's financial performance and result of operations. The Company could encounter additional transaction and integration related costs or other factors such as failure to realize all of the benefits from the acquisition. All of these factors could cause dilution to the Company's earnings per share or decrease or delay the anticipated accretive effect of the acquisition and cause a decrease in the market price of the Company's shares.

  The Company may not be able to successfully integrate and combine the operations, personnel and technology infrastructure of any such strategic acquisition with its existing operations. If integration is not managed successfully by the Company's management, the Company may experience interruptions in its business activities, deterioration in its employee and customer relationships, increased costs of integration and harm to its reputation, all of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Schedule "N"
PRO FORMA FINANCIAL STATEMENTS

[Please see attached.]

Pro-Forma Consolidated Statement of Financial Position of Resulting Issuer (Halo Labs Inc.)

Three months ending March 31, 2018

Unaudited

Basis of Presentation

The accompanying unaudited pro forma consolidated statement of financial position of Apogee Opportunities Inc. ("Apogee") has been prepared by management to reflect a three cornered amalgamation under the federal laws of Canada (the “Transaction”), whereby Apogee Opportunities (USA) Inc., a wholly-owned subsidiary of Apogee, will amalgamate with and into ANM Inc. (“ANM”, with ANM surviving as a wholly-owned subsidiary of Apogee. Prior to the completion of the Transaction, Apogee is expected to change its name to Halo Labs Inc. (“Halo”), and following completion of the Transaction, the resulting issuer will conduct its business under the new name.

The resulting issuer from the Transaction (the “Resulting Issuer”) will operate as a cannabis company with its core operations in the U.S continuing the business of ANM. The pro forma consolidated statement of financial position gives effect to the Transaction had it occurred on March 31, 2018.

Upon completion of the Transaction, the former shareholders of ANM. are expected to become the controlling shareholders of Apogee. This type of share exchange, referred to as a reverse take-over (“RTO”), deems Halo Inc. to be the acquirer for accounting purpose. Accordingly, ANM’s balances are accounted for at cost and Apogee’s balances are accounted for at fair value. Since the consideration given is the acquirer’s own equity, the fair value to be used is based on the most recent financing of Apogee.

The Transaction has been accounted for in the unaudited pro forma consolidated statement of financial position as a continuation of the financial statements of ANM, together with a deemed issuance of shares, equivalent to the shares held by the former shareholders of Apogee and a recapitalization of the equity of ANM.

The unaudited pro forma statement of financial position has been prepared from information derived from and should be read in conjunction with the following:

- The unaudited condensed interim financial statements of ANM for the period ended March 31, 2018.
- The audited financial statements of Apogee for the period ended June 30, 2018, translated to U.S. Dollars from Canadian Dollars using an exchange rate of C$1 = US$0.75.
- Unless otherwise noted, the unaudited pro forma consolidated statement of financial position and its accompanying notes are presented in U.S. Dollars.

The unaudited pro forma consolidated statement of financial position, in the opinion of management, includes all adjustments necessary for fair presentation. No adjustments have been made to reflect additional costs or cost savings that could result from the combination of the operations of Apogee and ANM. The unaudited pro forma consolidated statement of financial position has been prepared for illustration purposes only and may not be indicative of the financial position had the Transaction been in effect at the date indicated.

					Halo Labs Inc.
			Pro-Forma Consolidated Statement of Financial Position		
	ANM March 31, 2018 US$	***Apogee June 30, 2018 US$***	***Adjustments US$***	***Note***	***Consolidated Total US$***
Assets					
Current					
Cash	236,002	224,531	400,000		**17,173,782**
			(714,444)	5	
			9,614,979	6	
			(500,000)	11	
			500,000	7	
			(500,000)	11	
			9,239,156	8	
			(1,326,442)	6, 8	
Restricted cash	-	9,239,156	(9,239,156)	9	**-**
Accounts receivable	346,842	127,644	-		**474,486**
Inventory	3,616,177	-	-		**3,616,177**
Notes receivable	510,838	-	-		**510,838**
Pre-paid expenses and other	258,146	29,794	-		**287,940**
Investments available for sale	-	465,923	-		**465,923**
Total current assets	4,968,005	10,087,048	7,474,093		**22,529,146**
Long-term					
Property, plant and equipment	2,416,162	-	-		**2,416,162**
Intangibles	2,130,444	-	-		**2,130,444**
Total long-term assets	4,546,606	-	-		**4,546,606**
Total assets	9,514,611	10,087,048	7,474,093		**27,075,752**

Halo Labs Inc.
Pro-Forma Consolidated Statement of Financial Position - Continued

	ANM March 31, 2018 US$	*Apogee June 30, 2018 US$*	*Adjustments US$*		*Consolidated Total US$*
Liabilities					
Current					
Accounts payable and accrued liabilities	2,649,681	334,835	-		**2,984,516**
Offered securities liability	-	9,239,156	(9,239,156)	8	**-**
Convertible debentures	3,621,024	-	(1,718,792)	3	**-**
			(1,902,232)	4	
Other Loans	3,520,585	-	(1,231,065)	5	**768,750**
			(1,520,770)	6	
			(500,000)	11	
			500,000	11	
Income tax payable	402,328	-			**402,328**
Deferred tax liability	140,000	-			**140,000**
Total current liabilities	10,333,618	9,573,991	(15,612,015)		**4,295,594**
Shareholders' equity (deficiency)					
Share capital	5,485,836	50,297,002	(50,297,002)	2	**30,257,196**
			3,051,706	2	
			3,049,545	3	
			1,718,792	4	
			2,052,426	4	
			1,679,900	5	
			806,326	5	
			7,719,850	6	
			(500,000)	11	
			6,635,742	8	
			(1,326,442)	6, 8	
			(116,485)	6, 8	
Warrant and option reserve	3,901,447	1,095,000	(1,095,000)	2	**11,232,393**
			1,895,129	7	
			2,603,414	8	
			116,485	6, 9	
			1,471,107	9	
			1,244,811	9	
Convertible debenture conversion option	199,029	-	(48,835)	5	**-**
			(150,194)	4	
Accumulated other comprehensive income	-	(850,815)	850,815	2	**-**
Deficit	(10,405,319)	(49,980,131)	49,980,131	2	**(18,709,431)**
			(2,538,649)	2	
			(3,049,545)	2	
			(1,471,107)	9	
			(1,244,811)	9	
Equity attributable to shareholders of Apogee & ANM	(819,007)	561,056	23,038,109		**22,780,158**
Non - controling interest	-	(47,999)	47,999	2	**-**
Total shareholders' equity (deficiency)	(819,007)	513,057	23,086,108		**22,780,158**
Total shareholders' equity (deficiency) & liabilities	9,514,611	10,087,048	7,474,093		**27,075,752**

Pro Forma Assumptions and Adjustments

The unaudited pro forma consolidated statement of financial position gives effect to the following assumptions and adjustments:

1. ANM has 20,347,484 common shares outstanding. The common shares are exchanged for shares in Apogee at a ratio of 1.35. Post exchange, ANM shareholders have 27,311,596 Apogee shares. ANM has issued 6,643,895 restricted shares to management of ANM, to Apogee executives and to debt holders in ANM. Post exchange the shareholders have 8,969,250 restricted shares. These shares are included ANM's share capital. The combined number of shares post exchange is 36,280,854, and the share capital is $8,535,381.

2. Apogee Opportunities Inc. has 8,975,607 shares outstanding, before and after the proposed business combination. To record the acquisition of Apogee for the issuance of 8,975,607 common shares of Halo with an estimated fair value of $3,051,706 based on recent share issuance price and 1,123,077 warrants with an exercise price of C$3.50 with an estimated fair value of $1,123,077 at the time of issue.

3. ANM has issued a convertible debenture (the "Halo 2017 Convertible Notes") in four closings between July 13, 2017 and August 4, 2017 in the amount of $1,624,500. The convertible bears interest at a rate of 12% per annum, has a conversion price of 60% of the price a cash investor pays in the next equity round. Pre-exchange the convertible price is $0.25, based on the July 2018 private placing which was priced at C$0.40. Post exchange, the conversion price is $0.18 (C$0.24). Upon conversion and post exchange, 10,116,891 Apogee shares are issued to ANM investors in the convertible debenture. Interest is accrued until September 10, 2018.

   ANM has issued 9,3193,500 warrants post exchange with an exercise price of C$1.08 in conjunction with the 2017 convertible debenture offering. The Black Scholes value at March 31, 2018 was $3,087,690 and is added to the warrants reserve.

4. ANM has issued a convertible debenture (the "Halo 2018 Convertible Notes") in four closings between January 26, 2018 and May 21, 2018 in the amount of $1,679,900. The convertible bears interest at a rate of 28% per annum and has a conversion price of $0.10 (C$0.13) post exchange of the ANM convertible into Apogee shares upon conversion. Interest is accrued until September 10, 2018.

5. ANM has issued promissory notes (the "Halo Related Party Promissory Notes") to executives, directors and shareholders in relation to related party advances in the amount of $1,798,971 during the period starting June 1, 2016 and September 29, 2017. The promissory notes bear interest at a rate of 12% - 24% and a post exchange conversion price of $0.18 9C$0.24). Interest is accrued until September 10, 2018. The total amount due at that time is $2,159,089. At the request of certain related parties $714,444 is distributed in cash. Upon conversion of the remainder, certain related parties receive 7,920,268 Halo shares.

6. ANM has issued a Pre-RTO convertible debenture in four closings between June 13, 2018 and August 31, 2018, in the amount of $9,614,979. The convertible bears interest at a rate of 10%, has a

conversion price of $0.30 post exchange of the ANM Pre-RTO convertible into Apogee shares. Upon conversion and post exchange, 31,399,454 Apogee shares are issued to ANM investors in the convertible. In conjunction with the raise warrants are issued (see below). The agents may be entitled to a commission on conversions of the Pre-RTO Notes, to consist of a cash commission equal to 1% of the dollar amounts converted into Resulting Issuer Common Shares and Warrants, as well as a 1% warrant commission in one Resulting Issuer Warrant exercisable at CAD$0.80 for each CDN$0.40 of Pre-RTO Notes converted into Resulting Issuer Common Shares and Warrants. The actual number of Resulting Issuer Warrants issuable to the Agents under this arrangement is subject to negotiation prior to the completion of the Transaction. Currently 27,463,732 warrants with exercise price C$0.50 will be issued, but this may change. The Black-Scholes value of the C$0.50 warrants is C$0.13. $3,129,699 is added to the warrants reserve and deducted from share capital. The Black-Scholes value of the C$0.80 warrants is C$0.08. $1,895,129 is added to the warrants reserve and deducted from share capital. Currently 44,799,070 warrants with exercise price C$0.80 will be issued, but this may change. Broker fees in relation to the Pre-RTO regulated offer are $333,772. Proceeds of the offerings have been added to Share capital (deficiency) net of fees. Cash after fees has been added to cash in the statement of financial position. Fees have been deducted from share capital.

7. ANM has issued promissory notes (the “Halo Bridge Loan”) to two shareholders dated July 30, 2018, in the total amount of $500,000.

8. Apogee has issued 25,558,790 subscription receipts in an amount of C$10,223,516 and 9,908,250 special units in the amount of C$3,963,300.

   In conjunction with the placement Apogee will issue 25,558,790 warrants and in relation to the special units Apogee will issue 9,908,250 warrants, both with exercise price C$0.80. Apogee will issue 2,660,028 broker warrants in relation to the private placements of the subscription receipts and the special units. The exercise price is C$0.80. the Black Scholes value is $107,254. Apogee also issues compensation options to finders and agents.

   Broker fees in relation to the subscription receipts are $766,764 and in relation to the special units broker fees are $225,906. Proceeds of the offerings have been added to Share capital (deficiency) net of fees. Cash after fees has been added to cash in the statement of financial position. Fees have been deducted from share capital. In conjunction with the private placement of subscription rights,

9. ANM has issued 2,725,000 options under the stock option plan in May 2016 post exchange with an exercise price of C$1.18 (post exchange C$0.91) and 10 year term. The Black Scholes value of this grant was $813,757 at the end of March 31, 2018. 1,225,000 options forfeited as employees left the Company. Subject to board approval ANM will issue 6,236,724 options with exercise price C$0.40 (post exchange C$0.23). The Black Scholes value of the proposed second grant is $1,470,447. Post exchange 10,417,577 options are in issue.

10. Apogee has 1,123,077 warrants outstanding with exercise price C$3.50. The fair value at grant was $1,123,077, which is added to the warrants reserve.

11. To record estimated Transaction costs of $500,000 and re-payment of $500,000 bridge loan

Giving effect to the above, the summary below describes the pro-capitalization of the Resulting Issuer.

Combined shares post RTO at listing

	#	Value $
Commen shares		
Apogee	8,975,607	$ 3,051,706
Subscription receipts & special units issues	36,414,620	5,192,815
ANM shares in issue	36,280,854	8,535,381
ANM 2017 convertible loan	10,053,267	5,104,132
2018 Convertible loan	26,154,983	1,679,900
Related party advances	7,992,219	806,326
Shares issued to service providers under stock incentive plan	1,084,794	333,783
2018 Pre-RTO Regulated Offering	30,543,700	8,219,850
Pro-forma # shares	157,500,044	$ 32,923,892
Options and warrants		
Apogee warrants	1,123,077	$ 1,123,077
Warrants Subscription receipts & Special units issues	36,414,620	2,131,378
Broker warrants	2,660,028	107,354
Finders & Agents' compensation options	2,886,277	9,131
ANM options	10,417,577	813,757
ANM warrants	9,193,500	3,087,690
Warrants in relation to ANM Pre-RTO Regulated Offering @ C$0.50	27,463,732	3,121,669
Warrants in relation to ANM Pre-RTO Regulated Offering @ C$0.80	44,799,070	1,886,938
Pro forma # options and warrants	134,957,881	$ 12,280,995
Pro-forma fully diluted # shares	292,457,925	$ 45,204,887

Schedule "O"
RESULTING ISSUER AUDIT COMMITTEE CHARTER

CHARTER OF THE AUDIT COMMITTEE
OF HALO LABS INC.

SECTION 1 - PURPOSE

The audit committee (the "**Audit Committee**") is a committee of the board of directors (the **"Board"**) of Halo Labs Inc. (the **"Corporation"**). The primary function of the Audit Committee is to assist the directors of the Corporation in fulfilling their applicable roles by:

(a) recommending to the Board the appointment and compensation of the Corporation's external auditor;

(b) overseeing the work of the external auditor, including the resolution of disagreements between the external auditor and management;

(c) pre-approving all non-audit services (or delegating such pre-approval if and to the extent permitted by law) to be provided to the Corporation by the Corporation's external auditor;

(d) satisfying themselves that adequate procedures are in place for the review of the Corporation's public disclosure of financial information, other than those described in (g) below, extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures;

(e) establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters, and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

(f) reviewing and approving any proposed hiring of current or former partner or employee of the current and former auditor of the Corporation; and

(g) reviewing and approving the annual and interim financial statements, related Management Discussion and Analysis ("**MD&A**") and other financial information provided by the Corporation to any governmental body or the public.

The Audit Committee should primarily fulfill these roles by carrying out the activities enumerated in this Charter. However, it is not the duty of the Audit Committee to prepare financial statements, to plan or conduct internal or external audits, to determine that the financial statements are complete and accurate and are in accordance with Canadian generally accepted accounting principles, to conduct investigations, or to assure compliance with laws and regulations or the Corporation's internal policies, procedures and controls, as these are the responsibility of management, and in certain cases, the external auditor.

SECTION 2 - LIMITATIONS ON AUDIT COMMITTEE'S DUTIES

In contributing to the Audit Committee's discharge of its duties under this Charter, each member of the Audit Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended to be, or may be construed as, imposing on any members of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject.

Members of the Audit Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by management as to the non-audit services provided to the Corporation by the external auditor, (iv) financial statements of the Corporation represented to them by a member of

management or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with generally accepted accounting principles, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

SECTION 3 - COMPOSITION AND MEETINGS

The Audit Committee should be comprised of not less than three directors as determined by the Board, all of whom shall be independent within the meaning of NI 52-110 – *Audit Committees* ("**52-110**") of the Canadian Securities Administrators (or exempt therefrom), and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee, unless an exemption from such independence requirement is available to the Corporation under 52-110. All members of the Audit Committee should have (or should gain within a reasonable period of time after appointment) a working familiarity with basic finance and accounting practices. At least one member of the Audit Committee should have accounting or related financial management expertise and be considered a financial expert. Each member should be "financially literate" within the meaning of 52-110. The Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.

The members of the Audit Committee shall be elected by the Board on an annual basis or until their successors shall be duly appointed. Unless a Chair of the Audit Committee (the "**Chair**") is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.

In addition, the Audit Committee members should meet all of the requirements for members of audit committees as defined from time to time under applicable legislation and the rules of any stock exchange on which the Corporation's securities are listed or traded.

The Audit Committee should meet at least four times annually, or more frequently as circumstances require. The Audit Committee should meet within forty-five (45) days following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related MD&A, and should meet within 90 days following the end of the fiscal year end to review and discuss the audited financial results for the preceding quarter and year and the related MD&A.

The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Audit Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and the external auditor of the Corporation, and others as they consider appropriate.

For greater certainty, management is indirectly accountable to the Audit Committee and is responsible for the timeliness and integrity of the financial reporting and information presented to the Board.

In order to foster open communication, the Audit Committee or its Chair should meet at least annually with management and the external auditor in separate sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately. In addition, the Audit Committee or its Chair should meet with management quarterly in connection with the Corporation's interim financial statements.

A quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Audit Committee or such greater number as the Audit Committee shall by resolution determine.

Meetings of the Audit Committee shall be held from time to time and at such place as any member of the Audit Committee shall determine upon 48 hours' notice to each of its members. The notice period may be waived by all members of the Audit Committee. Each of the Chair of the Board, the external auditor, the Chief Executive Officer, the Chief Financial Officer or the Secretary shall be entitled to request that any member of the Audit Committee call a meeting. This Charter is subject in all respects to the Corporation's articles of incorporation and by-laws from time to time.

SECTION 4 - ROLE

As part of its function in assisting the Board in fulfilling its oversight role (and without limiting the generality of the Audit Committee's role), the Audit Committee should:

(1) Determine any desired agenda items.

(2) Review and recommend to the Board changes to this Charter, as considered appropriate from time to time.

(3) Review the public disclosure regarding the Audit Committee required by 52-110.

(4) Review and seek to ensure that disclosure controls and procedures and internal control over financial reporting frameworks are operational and functional.

(5) Summarize in the Corporation's annual information form the Audit Committee's composition and activities, as required.

(6) Submit the minutes of all meetings of the Audit Committee to the Board upon request.

Documents / Reports Review

(7) Review and recommend to the Board for approval the Corporation's annual and interim financial statements, including any certification, report, opinion, undertaking or review rendered by the external auditor and the related MD&A, as well as such other financial information of the Corporation provided to the public or any governmental body as the Audit Committee or the Board require.

(8) Review other financial information provided to any governmental body or the public as they see fit.

(9) Review, recommend and approve any of the Corporation's press releases that contain financial information.

(10) Seek to satisfy itself and ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and related MD&A and periodically assess the adequacy of those procedures.

External Auditor

(11) Recommend to the Board the selection of the external auditor, considering independence and effectiveness, and review the fees and other compensation to be paid to the external auditor.

(12) Review and seek to ensure that all financial information provided to the public or any governmental body, as required, provides for the fair presentation of the Corporation's financial condition, financial performance and cash flow.

(13) Instruct the external auditor that its ultimate client is not management and that it is required to report directly to the Audit Committee, and not management.

(14) Monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion between management and the external auditor.

(15) Review and discuss, on an annual basis, with the external auditor all significant relationships it has with the Corporation to determine the external auditor's independence.

(16) Pre-approve all non-audit services (or delegate such pre-approval, as the Audit Committee may determine and as permitted by applicable Canadian securities laws) to be provided by the external auditor.

(17) Review the performance of the external auditor and any proposed discharge of the external auditor when circumstances warrant.

(18) Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.

(19) Communicate directly with the external auditor and arrange for the external auditor to be available to the Audit Committee and the full Board as needed.

(20) Review and approve any proposed hiring by the Corporation of current or former partners or employees of the current (and any former) external auditor of the Corporation.

Audit Process

(21) Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Audit Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.

(22) Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.

(23) Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.

(24) Where there are significant unsettled issues between management and the external auditor that do not affect the audited financial statements, the Audit Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.

Financial Reporting Processes

(25) Review the integrity of the financial reporting processes, both internal and external, in consultation with the external auditor as they see fit.

(26) Consider the external auditor's judgments about the quality, transparency and appropriateness, not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, including the degree of aggressiveness or conservatism of its accounting principles and underlying estimates, and whether those principles are common practices or are minority practices.

(27) Review all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related party transactions.

(28) Review with management and the external auditor the Corporation's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditor's preferred treatment and any other material communications with management with respect thereto.

(29) Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

(30) If considered appropriate, establish separate systems of reporting to the Audit Committee by each of management and the external auditor.

(31) Periodically consider the need for an internal audit function, if not present.

Risk Management

(32) Review program of risk assessment and steps taken to address significant risks or exposures of all types, including insurance coverage and tax compliance.

General

(33) With prior Board approval, the Audit Committee may at its discretion retain independent counsel, accountants and other professionals to assist it in the conduct of its activities and to set and pay (as an expense of the Corporation) the compensation for any such advisors.

(34) Respond to requests by the Board with respect to the functions and activities that the Board requests the Audit Committee to perform.

(35) Periodically review this Charter and, if the Audit Committee deems appropriate, recommend to the Board changes to this Charter.

(36) Review the public disclosure regarding the Audit Committee required from time to time by applicable Canadian securities laws, including:

(i) the Charter of the Audit Committee;

(ii) the composition of the Audit Committee;

(iii) the relevant education and experience of each member of the Audit Committee;

(iv) the external auditor services and fees; and

(v) such other matters as the Corporation is required to disclose concerning the Audit Committee.

(37) Review in advance, and approve, the hiring and appointment of the Corporation's senior financial executives by the Corporation, if any.

(38) Perform any other activities as the Audit Committee deems necessary or appropriate including ensuring all regulatory documents are compiled to meet Committee reporting obligations under 52-110.

SECTION 5 - AUDIT COMMITTEE COMPLAINT PROCEDURES

Submitting a Complaint

(39) Anyone may submit a complaint regarding conduct by the Corporation or its employees or agents (including its independent auditors) reasonably believed to involve questionable accounting, internal accounting controls or auditing matters. The Chair should oversee treatment of such complaints.

Procedures

(40) The Chair will be responsible for the receipt and administration of employee complaints.

(41) In order to preserve anonymity when submitting a complaint regarding questionable accounting or auditing matters, the employee may submit a complaint confidentially.

Investigation

(42) The Chair should review and investigate the complaint. Corrective action will be taken when and as warranted in the Chair's discretion.

Confidentiality

(43) The identity of the complainant and the details of the investigation should be kept confidential throughout the investigatory process.

Records and Report

(44) The Chair should maintain a log of complaints, tracking their receipt, investigation, findings and resolution, and should prepare a summary report for the Audit Committee.

The Audit Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Corporation's securityholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to securityholders of the Corporation or other liability whatsoever.


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HALO
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