

*This short form prospectus is a base shelf prospectus. This short form base shelf prospectus has been filed under legislation in each of the provinces of Canada, except Québec, that permits certain information about these securities to be determined after this short form base shelf prospectus has become final and that permits the omission from this short form base shelf prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery requirements has been obtained.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in each of the provinces of Canada, except Québec. Copies of the documents incorporated herein by reference may be obtained on request without charge from Namaste Technologies Inc. at Suite 2001, 365 Bloor Street East, Toronto, Ontario M4W 3L4, telephone 647-373-9590 Attention: General Counsel, and are also available electronically at [www.sedar.com](http://www.sedar.com). See “Documents Incorporated by Reference”.*

## SHORT FORM BASE SHELF PROSPECTUS

New Issue

September 16, 2020



# Namaste Technologies

## NAMASTE TECHNOLOGIES INC.

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**\$90,000,000**

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**Common Shares  
Preferred Shares  
Debt Securities  
Subscription Receipts  
Warrants**

Namaste Technologies Inc. (the “**Corporation**”, “**we**”, “**our**” or “**us**”) may from time to time offer and issue the following securities: (a) common shares in the capital of the Corporation (“**Common Shares**”); (b) preferred shares in the capital of the Corporation (“**Preferred Shares**”), (c) debentures, notes or other evidence of indebtedness of any kind, nature or description and which may be issuable in series (collectively, “**Debt Securities**”); (d) subscription receipts of the Corporation exchangeable for Common Shares and/or other securities of the Corporation (“**Subscription Receipts**”); and (e) warrants exercisable to acquire Common Shares and/or other securities of the Corporation (“**Warrants**”), or any combination thereof, up to an aggregate offering price of \$90,000,000 (or the equivalent thereof, determined at the date of issue, in any other currency or currencies, as the case may be) at any time during the 25-month period that this short form base shelf prospectus (including any amendments hereto, the

“Prospectus”) remains valid. Each of the Common Shares, Preferred Shares, Debt Securities, Subscription Receipts and Warrants (collectively, the “Securities”) may be offered separately or together with one or more of the other Securities as Units, in amounts, at prices and on terms to be set forth in one or more prospectus supplements (each, a “Prospectus Supplement”). In addition, Securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Corporation or a subsidiary of the Corporation. The consideration for any such acquisition may consist of any of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and assumption of liabilities.

All information permitted under applicable securities legislation to be omitted from this Prospectus including, without limitation, the information disclosed in the specific terms of any offering of Securities, as discussed above, will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus, except in cases where an exemption from such delivery requirements has been obtained. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of such Prospectus Supplement and only for the purposes of the distribution of the Securities to which that Prospectus Supplement pertains. Investors should read the Prospectus and any applicable Prospectus Supplement carefully before investing in the Securities.

**NONE OF THE CANADIAN SECURITIES REGULATORY AUTHORITIES HAS APPROVED OR DISAPPROVED OF THESE SECURITIES, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

**Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of Securities. Prospective investors should be aware that the acquisition of Securities may have tax consequences in Canada and should read the tax discussion in this Prospectus and in any applicable Prospectus Supplement; however, such tax consequences for investors may not be described fully herein or therein.**

The specific terms of any offering of Securities will be set forth in the applicable Prospectus Supplement and may include, without limitation, where applicable: (a) in the case of Common Shares, the number of Common Shares being offered, the currency (which may be Canadian dollars or any other currency), the offering price (in the event the offering is a fixed price distribution) or the manner of determining the offering price(s) (in the event the offering is not a fixed price distribution) and any other specific terms; (b) in the case of Preferred Shares, the designation of the particular class or series, the number of Preferred Shares being offered, the currency (which may be Canadian dollars or any other currency), the offering price (in the event the offering is a fixed price distribution) or the manner of determining the offering price(s) (in the event the offering is not a fixed price distribution), any voting rights, any rights to receive dividends, any terms of redemption, any conversion or exchange rights and any other specific terms of the Preferred Shares; (c) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased (which may be Canadian dollars or any other currency), maturity, interest provisions, authorized denominations, offering price, covenants, events of default, any terms for redemption at the option of the Corporation or the holder, whether the Debt Securities are secured or unsecured and/or subordinated or unsubordinated to other securities of the Corporation, any exchange or conversion terms and any other specific terms; (d) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the currency (which may be Canadian dollars or any other currency), the offering price, the terms, conditions and procedures for the exchange of the Subscription Receipts into or for Common Shares and/or other securities of the Corporation and any other specific terms; and (e) in the case of Warrants, the number of such Warrants offered, the currency (which may be Canadian dollars or any other currency), the offering price, the terms, conditions and procedures for the exercise of such Warrants into or for Common Shares and/or other securities of the Corporation and any other specific terms. A Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the Securities will be included in the Prospectus Supplement describing the Securities.

We may sell the Securities to or through one or more underwriters or dealers purchasing as principal, and may also sell the Securities to one or more purchasers directly, through applicable statutory exemptions, or through one or more

agents designated by us from time to time. The Securities may be sold from time to time in one or more transactions at fixed prices or not at fixed prices, such as market prices prevailing at the time of sale, prices related to such prevailing market prices or prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution of the Securities. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent engaged in connection with the offering and sale of such Securities, as well as the method of distribution and the terms of the offering of such Securities, including the initial offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is not a fixed price distribution), the net proceeds to us and, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms. This Prospectus may qualify an “at-the-market distribution” (as such term is defined in National Instrument 44-102 – *Shelf Distributions*). See “Plan of Distribution”.

In connection with any offering of the Securities other than an “at-the-market distribution” (as defined under applicable Canadian legislation) (unless otherwise specified in the relevant Prospectus Supplement), the underwriters, dealers or agents may over-allot or effect transactions that stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See “Plan of Distribution”. No underwriter, dealer or agent involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter, dealer or agent and no person or company acting jointly or in concert with such underwriter, dealer or agent will over-allot securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of Securities.

The outstanding Common Shares and the October 2018 Warrants (as defined herein) are listed and posted for trading on the TSX Venture Exchange (the “**TSXV**”) under the symbols “N” and “N.WT.A” respectively. The outstanding Common Shares are also traded on OTCQB Venture Market (“**OTCQB**”) and the Frankfurt Stock Exchange (the “**FSE**”) under the symbols “NXTTF” and “M5BQ”, respectively. The last trading price prior to the date of this Prospectus of the outstanding Common Shares on the TSXV, OTCQB and the FSE was \$0.24, US\$0.19 and €0.1497, respectively, and the last trading price of the outstanding October 2018 Warrants on the TSXV was \$0.07. **Unless otherwise specified in the applicable Prospectus Supplement, Securities other than Common Shares will not be listed on any securities exchange. Unless otherwise disclosed in any applicable Prospectus Supplement, there will be no market through which such Securities may be sold and purchasers may not be able to resell these Securities purchased under this Prospectus and the Prospectus Supplement relating to such Securities. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities, and the extent of issuer regulation. See “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors”.**

**Owning Securities may subject you to tax consequences. This Prospectus and any applicable Prospectus Supplement may not describe such tax consequences fully. Prospective investors should read the tax discussion in any applicable Prospectus Supplement and consult with their own tax advisor with respect to their particular circumstances.**

The Corporation’s head office is located at Suite 2001, 365 Bloor Street East, Toronto, Ontario M4W 3L4 and its registered office is located at 2300-550 Burrard Street, Vancouver, British Columbia, V6C 2B5.

**No underwriter, agent or dealer has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.**

**Investing in Securities involves significant risks that should be carefully considered by prospective investors before purchasing Securities. Prospective purchasers of Securities should carefully consider the risks described under the headings “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in this Prospectus, the applicable Prospectus Supplement and in the documents incorporated and deemed incorporated by reference in this Prospectus and the applicable Prospectus Supplement.**

**The Corporation does not have, and until federally legal does not intend to engage in, any direct, indirect or ancillary involvement in the United States cannabis industry (as described in Staff Notice 51-352 (Revised) *Issuers with U.S. Marijuana-Related Activities* of the Canadian Securities Administrators).**

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## ABOUT THIS PROSPECTUS

### *Explanatory Notes*

Unless otherwise indicated, in this Prospectus, the Corporation and its material subsidiaries, Australian Vaporizers Pty Ltd., CannMart Inc., CannMart Labs Inc., Findify AB, Namaste Bahamas Inc., Namaste Technologies Holdings Inc. and NamasteMD Inc. are collectively referred to as the “Corporation” or “Namaste”, unless the context otherwise requires. Readers of this Prospectus should rely only on information contained in this Prospectus and contained in the documents incorporated by reference in this Prospectus. The Corporation has not authorized anyone to provide the reader with different information and takes no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give readers of this Prospectus. Securities may be sold only in those jurisdictions where offers and sales are permitted. This Prospectus is not an offer to sell or a solicitation of an offer to buy Securities in any jurisdiction where it is unlawful. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date of the document incorporated by reference herein, as applicable, regardless of the time of delivery of this Prospectus or of any sale of Securities. Our business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

The information contained in this Prospectus (including the documents incorporated by reference herein) is accurate only as of the date of this Prospectus (or the date of the document incorporated by reference herein, as applicable). The business, financial condition, results of operations and prospects of the Corporation may have changed since those dates. The Corporation does not undertake to update the information contained or incorporated by reference herein, except as required by applicable Canadian securities laws.

The documents incorporated or deemed to be incorporated by reference herein contain meaningful and material information relating to the Corporation and prospective purchasers should review all information contained in this Prospectus and the documents incorporated or deemed to be incorporated by reference herein.

## FINANCIAL INFORMATION

The financial statements of the Corporation incorporated by reference in this Prospectus are reported in Canadian dollars and have been using International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

To supplement the Corporation’s consolidated financial statements, the Corporation uses “EBITDA” and “Adjusted EBITDA”, which are non-IFRS financial measures, to analyze performance. The Corporation believes that these non-IFRS financial measures provide useful information to investors and shareholders as they provide predictive value and assist in the evaluation of performance trends. Management uses these non-IFRS measures to compare financial results among reporting periods and to evaluate the Corporation’s operating performance and ability to generate funds from operating activities. Non-IFRS measures do not have standardized meanings and are unlikely to be comparable to any similar measures presented by other companies.

**See the “*Non-IFRS Financial Measures*” sections of the Interim MD&A (as hereinafter defined), which are incorporated by reference in this Prospectus, for a definition of EBITDA and Adjusted EBITDA as well as a reconciliation of such non-IFRS measure to their most closely applicable IFRS financial measure.**

## CURRENCY PRESENTATION

All references to “\$” in this Prospectus refer to Canadian dollars, unless otherwise noted.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Prospectus or in documents incorporated by reference herein, constitute “forward-looking information” within the meaning of applicable Canadian securities laws (“**forward-looking statements**”), which are based upon the Corporation’s current internal expectations, estimates, projections, assumptions and beliefs. Statements concerning the Corporation’s objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and the business, operations, future financial performance and condition of the Corporation are forward-looking statements. The words “believe”, “expect”, “anticipate”, “estimate”, “intend”, “may”, “will”, “would” and similar expressions, including the negative and grammatical variations of such expressions, are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements. In addition, this Prospectus and/or the documents incorporated by reference herein, including any Prospectus Supplement, may contain forward-looking statements attributed to third-party industry sources.

By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts and projections that constitute forward-looking statements may not occur. Such forward-looking statements in this Prospectus or in documents incorporated by reference herein, speak only as of the date of such document.

Forward-looking statements contained in this Prospectus or in documents incorporated by reference herein, are based on the key assumptions described herein or therein. The reader is cautioned that such assumptions, although considered reasonable by the Corporation, may prove to be incorrect. Actual results achieved during the forecast period may vary from the information provided in this Prospectus or in documents incorporated by reference herein, as a result of numerous known and unknown risks and uncertainties. The Corporation cannot guarantee future results.

Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking statements contained in this Prospectus or in documents incorporated by reference herein, include, but are not limited to, the risk factors included under the heading “Risk Factors” in this Prospectus and in the Corporation’s Annual Information Form (as defined herein) available on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at [www.sedar.com](http://www.sedar.com).

Forward-looking statements contained in this Prospectus or in documents incorporated by reference herein, are based on management’s current plans, expectations, estimates, projections, beliefs and opinions and the assumptions relating to those plans, expectations, estimates, projections, beliefs and opinions may change. There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Neither the Corporation nor any other person assumes responsibility for the accuracy or completeness of the forward-looking statements contained herein.

Such forward-looking statements are made as of the date of this Prospectus or, in the case of any documents incorporated by reference herein, as of the dates of such documents, and the Corporation disclaims any intention or obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable Canadian securities laws.

**All of the forward-looking statements made in this Prospectus or in documents incorporated by reference herein are expressly qualified by these cautionary statements and other cautionary statements or factors contained or incorporated by reference herein, and there can be no assurances that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Corporation. See “Risk Factors”.**

Actual results, performance or achievements could differ materially from those expressed in, or implied by, any forward-looking statement in this Prospectus, and, accordingly, investors should not place undue reliance on any such forward-looking statement. New factors emerge from time to time and the importance of current factors may change from time to time and it is not possible for management to predict all of such factors, or changes in such factors, or to assess in advance the impact of each such factors on the business of the Corporation or the extent to which any factor,

or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement contained in this Prospectus.

### ENFORCEABILITY OF JUDGMENTS AGAINST FOREIGN PERSONS

Laurens Feenstra (Director), Baran Dilaver (Director) and Branden Spikes (Director) each reside outside of Canada and have each appointed the Corporation, Suite 2001, 365 Bloor Street East, Toronto, Ontario M4W 3L4, as their agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the person has appointed an agent for service of process.

### DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in each of the provinces of Canada except Québec.** Copies of the documents incorporated herein by reference may be obtained on request without charge from Namaste Technologies Inc. at Suite 2001, 365 Bloor Street East, Toronto, Ontario M4W 3L4, telephone 647-373-9590, Attention: General Counsel and are also available electronically on SEDAR at [www.sedar.com](http://www.sedar.com). The filings of the Corporation through SEDAR are not incorporated by reference in this Prospectus except as specifically set out herein.

The following documents, filed by the Corporation with the securities commissions or similar authorities in each of the provinces of Canada except Québec are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the annual information form (the “AIF”) of the Corporation dated August 17, 2020, for the fiscal year ended November 30, 2019;
- (b) the audited consolidated financial statements of the Corporation for the fiscal years ended November 30, 2019 and 2018, together with the independent auditors’ report thereon and the notes thereto;
- (c) the management’s discussion and analysis of the financial condition and results of operations of the Corporation for the fiscal year ended November 30, 2019;
- (d) the unaudited condensed interim consolidated financial statements of the Corporation for the six months ended May 31, 2020, together with the notes thereto (the “**Interim Financial Statements**”);
- (e) the management’s discussion and analysis of the financial condition and results of operations of the Corporation for the six months ended May 31, 2020 (the “**Interim MD&A**”); and
- (f) the management information circular of the Corporation dated August 21, 2020, in connection with the Corporation’s annual general meeting of shareholders to be held on September 29, 2020.

Any document of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* filed by the Corporation with the Canadian securities commissions or similar regulatory authorities after the date of this Prospectus, and all Prospectus Supplements (only in respect of the offering of Securities to which that Prospectus Supplement relates) disclosing additional or updated information including the documents incorporated or deemed incorporated by reference therein, filed pursuant to the requirements of applicable securities legislation in Canada, in each case during the period that this Prospectus is effective, shall be deemed to be incorporated by reference in this Prospectus. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Corporation and readers should review all information contained in this Prospectus, the applicable Prospectus Supplement and the documents incorporated or deemed to be incorporated by reference herein and therein.

Upon a new annual information form and annual consolidated financial statements being filed by the Corporation with the applicable Canadian securities commissions or similar regulatory authorities during the period that this Prospectus

is effective, the previous annual information form, the previous annual consolidated financial statements and all interim consolidated financial statements, and in each case the corresponding management's discussion and analysis of financial condition and results of operations, and all material change reports, filed prior to the commencement of the financial year of the Corporation in which the new annual information form is filed shall be deemed to no longer be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus. Upon interim consolidated financial statements and the corresponding management's discussion and analysis of financial condition and results of operations being filed by the Corporation with the applicable Canadian securities commissions or similar regulatory authorities during the period that this Prospectus is effective, all interim consolidated financial statements and the corresponding management's discussion and analysis of financial condition and results of operations filed prior to such new interim consolidated financial statements and management's discussion and analysis shall be deemed to no longer be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus. In addition, upon a new management information circular for an annual meeting of shareholders being filed by the Corporation with the applicable Canadian securities commissions or similar regulatory authorities during the period that this Prospectus is effective, the previous management information circular filed in respect of the prior annual meeting of shareholders shall no longer be deemed to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

A Prospectus Supplement containing the specific terms of an offering of Securities and other information relating to such Securities will be delivered to prospective purchasers of such Securities, together with this Prospectus, and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement and only for the purpose of the offering of the Securities covered by that Prospectus Supplement.

Any template version of any "marketing materials" (as such term is defined in NI 44-101) filed after the date of a Prospectus Supplement and before the termination of the distribution of the Securities offered pursuant to such Prospectus Supplement (together with this Prospectus) is deemed to be incorporated by reference in such Prospectus Supplement.

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated herein by reference shall be deemed to be modified or superseded for the purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated herein by reference modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.**

## THE CORPORATION

### *General Description of the Corporation*

The Corporation was incorporated on March 3, 2005, under the *Business Corporations Act* (British Columbia) (the "BCBCA") under the name "Copper Belt Resources Ltd.". The Common Shares were listed on the Canadian Securities Exchange ("CSE") on September 22, 2005 under the ticker symbol "CBRL".

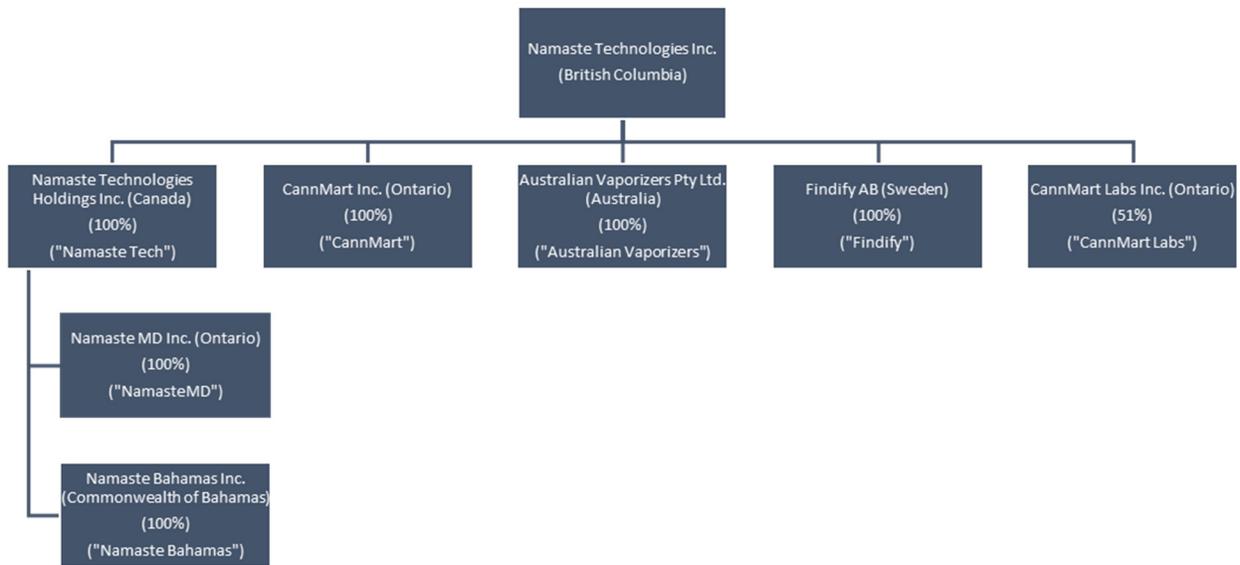
On August 8, 2008, the Corporation changed its name to "CB Resources Ltd.". On August 13, 2009, the Corporation consolidated its Common Shares on a 7.5:1 basis. On August 14, 2009, the Corporation changed its name from CB Resources Ltd. to "Next Gen Metals Inc.". On June 30, 2010, the Corporation consolidated its Common Shares on a 2:1 basis. On February 25, 2014, the Corporation consolidated its Common Shares on a 1.5:1 basis. In connection with the completion of a reverse take-over transaction (the "RTO"), on February 12, 2016 the Corporation consolidated its Common Shares on a 3:1 basis and changed its name from "Next Gen Metals Inc." to "Namaste Technologies Inc."

Effective February 26, 2016, the Corporation completed the RTO in accordance with the policies of the CSE, pursuant to which the Corporation acquired 100% of the issued and outstanding shares of 9558039 Canada Inc. (“**Dollinger Canada**”) from Dollinger Enterprises Ltd. (“**Dollinger Enterprises**”). Immediately prior to the closing of the RTO, Dollinger Enterprises transferred its other wholly owned subsidiaries, Dollinger Enterprises USA Inc. (“**Dollinger Enterprises USA**”) and Dollinger Bahamas (“**Dollinger Bahamas**”), to Dollinger Canada, resulting in Dollinger USA and Dollinger Bahamas being wholly-owned subsidiaries of Dollinger Canada.

The acquisition of Dollinger Canada, and its subsidiaries, was achieved through a three-cornered amalgamation whereby Dollinger Canada amalgamated with the Corporation’s wholly-owned subsidiary, GreenRush Analytical Laboratories Inc. and the shareholders of Dollinger Canada received post-consolidated shares of the Corporation in exchange for their shares of Dollinger Canada. The shareholders of Dollinger Canada received a total of 36,218,202 post-consolidated Common Shares. On May 2, 2018, the Common Shares ceased trading on the CSE and were listed and posted for trading on the TSXV under the ticker symbol “N”. Effective August 7, 2018, the Corporation changed its financial year end from August 31 to November 30.

The Corporation is a reporting issuer in each of the provinces of Canada, other than Québec.

The following chart describes the intercorporate relationship of the Corporation and its material subsidiaries as of the date of this Prospectus, including the jurisdiction of incorporation or organization of each entity and the Corporation’s ownership interest.



CannMart Inc., a wholly-owned subsidiary of the Corporation, is a licence holder issued under the *Cannabis Act*, SC 2018, c 16 (Canada) (the “**Cannabis Act**”) and Cannabis Regulations, SOR/2018-144 of the Cannabis Act (the “**Cannabis Regulations**”) for the processing, sale and distribution of dried cannabis flower, bottled cannabis oil, and cannabis oil concentrates, as well as edible cannabis, cannabis extracts, and cannabis topicals (“**Cannabis 2.0 Products**”).

Namaste Bahamas serves as a sales unit for the Corporation’s European herbal vaporizer and ancillary product sales. Namaste Bahamas does not maintain any material assets in the Bahamas, does not maintain premises in the Bahamas, and has no employees. Namaste Bahamas has three directors, two of whom are independent and residents of the Bahamas and the third is a member of the Corporation’s management. There are no material permits, business licences or other regulatory approvals required for Namaste Bahamas to carry on its business operations in the Bahamas, other than general business licences. Namaste Bahamas is represented in the Bahamas by its resident directors who are familiar with local laws, the role of the local government, local culture and practices and the Bahamian banking system. Namaste

Bahamas retains local legal counsel in the Bahamas, as required, for advice it requires on legal requirements in the Bahamas for the conduct of its business.

### *General Description of the Business*

The Corporation is a distributor of herbal vaporizer hardware and ancillary products and, more recently, has expanded its business to become a processor and distributor in Canada of in-house and licensed branded cannabis and cannabis derived products.

The Corporation sells herbal vaporizer hardware and ancillary products such as vaporizers and other related products in Australia, Europe and Canada through a mixture of (i) drop-shipping (where suppliers hold the inventory and ship directly to the customer) and (ii) direct fulfilment arrangements (where goods are shipped directly by the Corporation to customers).

The Corporation also delivers branded cannabis and cannabis derived products safely, reliably and consistently to:

- (a) registered medical patients in Canada through the Corporation’s website [www.cannmart.com](http://www.cannmart.com) (the “**Medical Channel**”); and
- (b) recreational cannabis consumers in Canada through supply agreements with provincial government cannabis control boards and retailing bodies in the provinces of Alberta, British Columbia, Manitoba, Ontario and Saskatchewan (the “**Recreational Channel**”).

Canada is the only country in which the Corporation currently processes or distributes cannabis or cannabis derived products for medical or recreational use. The Corporation has no current plans to enter new jurisdictions for the sale or distribution of cannabis or cannabis derived products, other than new jurisdictions within Canada, but would evaluate and consider entering new jurisdictions where legalization laws would permit the Corporation to do so and if prudent.

In the Medical Channel, the Corporation provides online medical consultations through its telemedicine app, NamasteMD. The NamasteMD platform is available online and on Android and Apple devices allowing patients to receive a medical cannabis licence quickly and reliably through consultations with licensed health care practitioners. The Corporation’s online platform [www.cannmart.com](http://www.cannmart.com) allows patients with a valid medical cannabis licence to discover and purchase medical cannabis and cannabis hardware and ancillary products in a one-stop-shop, delivered directly to their door.

Additional revenues are generated by the Corporation’s Findify subsidiary, a Sweden-based artificial intelligence powered e-commerce personalization SaaS (software as a service) company. Findify delivers customized search, recommendations and advanced data analytics using proprietary real-time algorithms to deliver a personalized e-commerce experience. Through its robust data collection and analytics capabilities, the platform analyzes user behaviors together with real-time product and category trends, to automatically and continuously display relevant products to online shoppers on an individual basis and in real-time. Findify services are offered to third parties on a fee for service basis. The Findify platform and derivatives of its source code have been integrated across the Corporation’s e-commerce platforms allowing the Corporation to deliver accurate and relevant products to our customers in real-time, enhancing customer conversion rates and average order values.

To provide additional capacity for anticipated growth, the Corporation’s CannMart Labs subsidiary is undertaking the completion of construction and licensing of a 6,000 square foot processing facility in Etobicoke, Ontario, located across the street from the existing 4,000 square foot CannMart processing facility. The Corporation expects, following licensing by Health Canada, that the new CannMart Labs facility will be used to process bulk cannabis into select Cannabis 2.0 Products for onward sale into its Medical Channel and Recreational Channel and to conduct research and development activities.

### *Regulation of Vaporizer Products*

The Corporation currently distributes and sells herbal vaporizer products in Canada, Australia and Europe. The

Corporation does not manufacture any herbal vaporizer products and only sells third-party manufactured products. The Corporation only distributes and sells products containing cannabis distillate oil, which can be used in vaporizing products, in Canada where it is licensed to do so.

The regulatory framework and restrictions on these products sold and distributed by the Corporation are summarized below by jurisdiction:

#### Canada

The Corporation does not sell any vaporizing products containing nicotine and is therefore not subject to regulations affecting this. Vaporizing products sold by the Corporation containing cannabis are regulated under the *Cannabis Act* (Canada) and its regulations. All producers of vaporizing products containing cannabis must obtain a federal Cannabis Processing Licence before production. Selling of vaporizing products containing cannabis into the Canadian market requires an additional audit and approval by Health Canada. It is prohibited to include any ingredients such as a sweetener or sweetening agent, or any prohibited ingredients listed in the *Tobacco and Vaping Products Act* (Canada) (amino acid, caffeine, colouring agents, essential fatty acids, glucuronolactone, probiotics, taurine, vitamins, and mineral nutrients). It is mandatory to display cannabis health warning messages set by the government of Canada on the label of vaporizing products containing cannabis. The Corporation is not aware of any health warnings issued in respect of vaporizing products in Canada other than an information update from Health Canada (see “*Risk Factors – Risks Regarding Vaporizer Products*” for additional details). The Corporation believes that it is compliance with all applicable requirements in Canada for the vaporizer products it sells and distributes.

#### Australia and Europe

The Corporation distributes and sells herbal vaporizers only in these jurisdictions. It does not manufacture, distribute or sell any vaporizing liquids in any of the jurisdictions in which it operates, outside of Canada, and is not aware of any licences, approvals, warnings, or prohibitions imposed on the sale of herbal vaporizers in any of these jurisdictions, as long as product descriptions and intended use fall within the regulatory framework. For example, in countries where cannabis is illegal, vaporizers are legal to sell, distribute and use as long as it is clear they are intended for use with legal aromatherapy products. The Corporation believes that it is in compliance with all requirements within the jurisdictions in which it distributes and sells herbal vaporizers.

Any changes to current regulations respecting vaporizer products, which cannot be predicted, could adversely impact the financial condition and results of operations of the Corporation. See “*Risk Factors – Risks Regarding Vaporizer Products*”.

#### **COVID-19**

In fiscal 2020, the Corporation has encountered supply chain difficulties across all segments of its business due to the COVID-19 pandemic. These difficulties include, extended and delayed delivery times for purchase orders of third-party products and packaging inputs and ordered products being split-shipped and backordered. Operations were also negatively affected by the Corporation’s warehouse receiving and other core functions operating at reduced staffing levels due to work-from-home protocols. This has resulted in the Corporation being unable to meet consumer demand on a consistent basis, and particularly for top-selling brands and high margin items, which has negatively affected revenues. The Corporation has attempted to mitigate these supply chain issues by placing larger purchase orders and stock-piling resources wherever possible, and the addition of weekend and overnight shifts for staff. Increased costs were also incurred for the implementation of new health and safety protocols, to protect the well-being of the Corporation’s staff, including costs for specialized cleaning and personal protection equipment, and for shipping costs. The COVID-19 pandemic has also caused delays in the construction of the new CannMart Labs processing facility, due to supply chain delays in the receiving of specialized equipment, a reducing in the number of people working on site and delays in receiving government utility and other inspections however, management still believes that construction and licensing will be completed as scheduled by the end of November 2020. See also “*Risk Factors – Impact of Coronavirus (“COVID-19”)*”.

## RECENT DEVELOPMENTS AND OTHER MATTERS

There have been no material developments in the business of the Corporation since May 31, 2020, the date of the Interim Financial Statements, which have not been disclosed in this Prospectus or the documents incorporated by reference herein.

## CONSOLIDATED CAPITALIZATION

Since the date of the Interim Financial Statements, which are incorporated by reference in this Prospectus, there have been no material changes to the Corporation's share and loan capitalization on a consolidated basis. The applicable Prospectus Supplement will describe any material change, and the effect of such material change, on the share and loan capitalization of the Corporation that will result from the issuance of Securities pursuant to such Prospectus Supplement.

## USE OF PROCEEDS

The net proceeds to us from any offering of Securities, the proposed use of those proceeds and the specific business objectives which we expect to accomplish with such proceeds will be set forth in the applicable Prospectus Supplement relating to that offering of Securities.

There may be circumstances where, on the basis of results obtained or for other sound business reasons, a re-allocation of funds may be necessary or prudent. Accordingly, management of the Corporation will have broad discretion in the application of the proceeds of an offering of Securities. The actual amount that the Corporation spends in connection with each intended use of proceeds of an offering of Securities may vary significantly from the uses described in any applicable Prospectus Supplement and will depend on a number of factors, including those referred to under "*Risk Factors*" in this Prospectus and the applicable Prospectus Supplement.

All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the proceeds from the sale of Securities unless otherwise stated in the applicable Prospectus Supplement.

The Corporation will need to raise significant additional equity capital to maintain and expand its business over the 25-month period that this Prospectus remains valid to take advantage of any market opportunities, to respond to changes in the rapidly evolving cannabis industry in which the Corporation operates and to provide a buffer for unexpected contingencies. Anticipated expenditures over that period include, completion of the new CannMart Labs processing facility, development of a new marketplace sales platform, development of a direct to consumer cannabis distribution sales channel, introduction of new brands, research and development on new cannabis extract formulations, introduction of new products, expansion of the Corporation's business-to-business recreational distribution channel and distribution of the Corporation's products, investment in technology infrastructure, strategic acquisitions and general and administrative expenditures.

The Corporation has had a history of losses and had negative operating cash flow for its most recent interim financial period and financial year. As at July 31, 2020, the Corporation had cash and cash equivalents of approximately \$15,507,068 (unaudited) and working capital of approximately \$24,053,997 (unaudited). The Corporation believes that operating expenses and cash burn will be significantly reduced in the coming 12-month period as a result of cost-cutting measures, improvement of operational efficiencies, increased profit margins, the completion of capital expenditures on the CannMart Labs processing facility, anticipated positive cash flows from the new CannMart Labs processing operations, and as a result of a number of costs and expenses in the prior 12-month period relating to legacy legal matters and supply and partnership agreements that are non-recurring. Based on current budgets, the Corporation expects its current working capital to sustain the Corporation's operations for at least 12 months. The Corporation intends to fund its cash working capital requirements over the next 12-month period from its existing cash resources and cash flows from operations. The Corporation may however, be required to use some or all of the net proceeds from the sale of Securities under this Prospectus to fund its cash working capital requirements and negative cash flows. See "*Risk Factors*".

## DESCRIPTION OF SECURITIES

The following is a brief summary of certain general terms and provisions of the Securities as at the date of this Prospectus. The summary does not purport to be complete and is indicative only. The specific terms of any Securities to be offered under this Prospectus, and the extent to which the general terms described in this Prospectus apply to such Securities, will be set forth in the applicable Prospectus Supplement. Moreover, a Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus. The Securities will not include any novel derivatives or asset-backed securities as discussed under Part 4 of National Instrument 44-102 - *Shelf Distributions*.

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As at the date of this Prospectus there are 323,954,483 Common Shares issued and outstanding. In addition, the Corporation has 12,937,500 Common Share purchase warrants outstanding that were issued on October 25, 2018 to purchase up to 12,937,500 Common Shares, at a price of \$3.15 per share until October 25, 2023 (the “**October 2018 Warrants**”).

### Common Shares

The holders of Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Corporation and are entitled to one vote in respect of each Common Share held at such meetings. The holders of Common Shares are entitled to receive dividends if, as and when declared by the board of directors of the Corporation (the “**Board**”). In the event of liquidation, dissolution or winding-up of the Corporation, the holders of Common Shares are entitled to share rateably in any distribution of the property or assets of the Corporation, subject to the rights of holders of any other class of securities of the Corporation entitled to receive assets or property of the Corporation upon such distribution in priority or rateably with the holders of Common Shares.

### Preferred Shares

The Corporation is not currently authorized to issue Preferred Shares. Subject to obtaining all necessary corporate and regulatory approvals and amending the Notice of Articles of the Corporation to authorize the creation and issuance of Preferred Shares, in one or more classes or series, in accordance with the provisions of the BCBCA, the Board may fix from time to time before each issuance of a class or series of Preferred Shares, the number of Preferred Shares comprising each class or series and the designation, rights, privileges, restrictions and conditions attaching to each class or series of Preferred Shares including, any voting rights, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion, if any, and any sinking fund or other provisions. Unless otherwise indicated in the applicable Prospectus Supplement, all Preferred Shares to be issued from time to time under this Prospectus will be fully paid and non-assessable.

The particular terms and provisions of the Preferred Shares as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Preferred Shares, and the extent to which the general terms and provisions described below may apply to such Preferred Shares will be described in the applicable Prospectus Supplement. Preferred Shares may be offered separately or together with other Securities, as the case may be.

The Preferred Shares of each class or series will be entitled, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, or any other return of capital or distribution, to a preference over the Common Shares and over any other shares of the Corporation ranking by their terms junior to the Preferred Shares of that class or series. The Prospectus Supplement relating to the Preferred Shares offered will contain a description of the specific terms of that class or series of Preferred Shares as fixed by the Board, including, as applicable:

- the number of Preferred Shares offered and the offering price of the Preferred Shares;
- the designation and any stated value of the Preferred Shares;

- the dividend rate(s), period(s) and/or payment date(s) or method(s) of calculation of such rates, periods or dates applicable to the Preferred Shares;
- the date from which dividends on the Preferred Shares will accumulate, if applicable;
- the liquidation rights of the Preferred Shares;
- the procedures for auction and remarketing, if any, of the Preferred Shares;
- the sinking fund provisions, if applicable, for the Preferred Shares;
- the redemption provisions, if applicable, for the Preferred Shares;
- whether the Preferred Shares will be convertible into or exchangeable for other securities and, if so, the terms and conditions of the conversion or exchange, including the conversion price or exchange ratio and the conversion or exchange period (or the method of determining the same);
- whether the Preferred Shares will have voting rights and the terms of any voting rights;
- whether the Preferred Shares will be listed on any securities exchange;
- whether the Preferred Shares will be issued with any other securities and, if so, the amount and terms of these securities; and
- any other specific terms, preferences or rights of, or limitations or restrictions on, the Preferred Shares.

The applicable Prospectus Supplement will also contain a discussion of any material Canadian income tax considerations relevant to the purchase and ownership of the Preferred Shares offered by the Prospectus Supplement.

### **Debt Securities**

The following sets forth certain general terms and provisions of Debt Securities. The particular terms and provisions of any Debt Securities offered, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in a Prospectus Supplement.

Debt Securities will be direct secured or unsecured obligations of the Corporation as described in the applicable Prospectus Supplement. Debt Securities will be senior or subordinated indebtedness of the Corporation as described in the applicable Prospectus Supplement. The senior Debt Securities will rank equal in right of payment to all other unsecured and unsubordinated indebtedness of the Corporation (except for unsecured and unsubordinated indebtedness preferred by mandatory provisions of law). The subordinated Debt Securities will be subordinated in right of payment to the prior payment in full of the senior Debt Securities and all other senior indebtedness of the Corporation.

Debt Securities will be issued under one or more indentures (each, a “**Debt Indenture**”) between the Corporation and a trustee that will be named in the applicable Prospectus Supplement. The Debt Indenture under which any Debt Securities are issued will be specified in the applicable Prospectus Supplement. The statements made hereunder relating to any Debt Indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Debt Indenture.

Each Debt Indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by the Corporation. The applicable Prospectus Supplement will contain

the terms and other information with respect to the Debt Securities being offered thereby, which may include the following:

- the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- the currency or currency unit for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars);
- any applicable subordination provisions;
- the offering price or the percentage of the principal amount or discount at which such Debt Securities will be issued;
- the date or dates on which such Debt Securities will mature;
- the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such interest rates (if any);
- the dates on which any such interest will be payable and the record dates for such payments;
- the name of the trustee under the Debt Indenture pursuant to which the Debt Securities are to be issued;
- any redemption term or terms under which such Debt Securities may be defeased;
- whether such Debt Securities are to be issued in registered form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- the place or places where principal, premium (if any) and interest (if any) will be payable;
- any sinking fund provisions;
- whether such Debt Securities will be issued in whole or in part in the form of one or more global securities;
- the identity of the depositary for global securities;
- whether a temporary security is to be issued with respect to such Debt Securities and whether any interest payable prior to the issuance of definitive Debt Securities of such series will be credited to the account of the persons entitled to such interest;
- the terms upon which beneficial interests in a temporary global Debt Security may be exchanged in whole or in part for beneficial interests in a definitive global Debt Security or for individual definitive Debt Securities and the terms upon which such exchanges may be made;
- the securities exchange(s) on which such series of Debt Securities will be listed, if any;
- any terms relating to the modification, amendment or waiver of any terms of such Debt Securities or the Debt Indenture;
- any right of the trustee or the holders to declare the principal, premium (if any) and interest (if any) with respect to such series of Debt Securities to be due and payable;

- the governing law of such Debt Securities and Debt Indenture;
- any provisions relating to any security provided for such Debt Securities;
- any exchange or conversion terms; and
- any other specific terms, including any additional events of default or covenants not inconsistent with the provisions of the applicable Debt Indenture.

The Debt Securities may, at our option, be issued in fully registered certificated form or in “book-entry only” form. Debt Securities in registered form will be exchangeable for other Debt Securities of the same series and tenor, registered in the same name, for a like aggregate principal amount in authorized denominations and will be transferable at any time or from time to time at the corporate trust office of the trustee for such Debt Securities.

Debt Securities of a single series may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary. This Prospectus does not qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance (including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items). For greater certainty, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers’ acceptance rate, or to recognized market benchmark interest rates such as LIBOR, EURIBOR or a U.S. Federal funds rate.

The preceding description and any description of Debt Securities in the applicable Prospectus Supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to the Debt Indenture relating to such Debt Securities.

In the case of Debt Securities which are convertible into other securities of the Corporation, the holders will not have any of the rights of holders of the securities issuable upon the conversion of the Debt Securities until the issuance of those securities in accordance with the terms of the Debt Securities and Debt Indenture.

### **Subscription Receipts**

Subscription Receipts may be offered separately or together with other Securities.

Subscription Receipts will be issued under a subscription receipt agreement entered into between us and an escrow agent (the “**Escrow Agent**”). The applicable Prospectus Supplement will include details of the agreement pursuant to which such Subscription Receipts will be created and issued. Subscription Receipts will entitle the holders to receive Common Shares or other securities or a combination of securities upon the satisfaction of certain conditions, typically the completion of an acquisition by us of the assets or securities of another entity. Subsequent to an offering of Subscription Receipts, all or a portion of the proceeds for the Subscription Receipts will be held in escrow by the Escrow Agent, pending the satisfaction of the conditions specified in the applicable Prospectus Supplement. Holders of Subscription Receipts are not shareholders. Holders of Subscription Receipts are only entitled to receive Common Shares or other securities upon exchange or conversion of their Subscription Receipts in accordance with the terms thereof or to a return of the price for the Subscription Receipts together with any payments in lieu of interest or other income earned on the subscription proceeds.

The particular terms and provisions of Subscription Receipts offered under any Prospectus Supplement, and the extent to which the general terms and provisions described in this Prospectus may apply to those Subscription Receipts, will be described in the Prospectus Supplement filed in respect of such Subscription Receipts. This description will include, where applicable:

- the aggregate number of Subscription Receipts offered;

- the price and currency or currency unit at which the Subscription Receipts will be offered;
- the terms, conditions and procedures pursuant to which the holders of Subscription Receipts will become entitled to receive Common Shares or other securities;
- the number of Common Shares or other securities that may be obtained upon exchange or conversion of each Subscription Receipt;
- the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each other Security;
- the circumstances, if any, which will cause the Subscription Receipts to be automatically exchanged or converted;
- whether the Subscription Receipts are to be issued in registered form, “book entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- the terms applicable to the gross proceeds from the sale of such Subscription Receipts plus any interest or other income earned thereon;
- certain material Canadian tax consequences of owning Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts.

The terms and provisions of any Subscription Receipts offered under a Prospectus Supplement may differ from the terms described above, and may not be subject to or contain any or all of the terms described above.

The preceding description and any description of Subscription Receipts in the applicable Prospectus Supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to the subscription receipt agreement relating to such Subscription Receipts.

In the case of Subscription Receipts which are exchangeable for other securities of the Corporation, the holders will not have any of the rights of holders of the securities issuable upon the exchange of the Subscription Receipts until the issuance of those securities in accordance with the terms of the Subscription Receipts.

Prospective purchasers of Subscription Receipts should be aware that special Canadian federal income tax, accounting and other considerations may be applicable to instruments such as Subscription Receipts. The applicable Prospectus Supplement will describe such considerations, to the extent they are material, as they apply generally to purchasers of such Subscription Receipts.

## **Warrants**

We may issue Warrants for the purchase of Common Shares, Preferred Shares, Subscription Receipts, Debt Securities or any combination of these Securities and/or other securities of the Corporation. Each series of Warrants will be issued under a separate warrant agreement. The applicable Prospectus Supplement will describe the terms of the Warrants offered, including but not limited to the following:

- the number of Warrants offered;
- the price or prices at which the Warrants will be issued;
- the currency or currencies in which the prices of the Warrants may be payable;

- the securities for which the Warrants are exercisable;
- whether the Warrants will be issued with any other Securities and, if so, the amount and terms of these Securities;
- the amount of securities purchasable upon exercise of each Warrant and the price at which and the currency or currencies in which the securities may be purchased upon such exercise, and the events or conditions under which the amount of securities may be subject to adjustment;
- the date on which the right to exercise such Warrants shall commence and the date on which such right shall expire;
- the circumstances, if any, which will cause the Warrants to be deemed to be automatically exercised;
- any material risk factors relating to such Warrants;
- if applicable, the identity of the Warrant agent; and
- any other terms of such Warrants.

Prior to the exercise of any Warrants, holders of such Warrants will not have any rights of holders of the securities purchasable upon such exercise, including the right to receive payments of dividends, or the right to vote such underlying securities.

Prospective purchasers of Warrants should be aware that special Canadian federal income tax, accounting and other considerations may be applicable to instruments such as Warrants. The applicable Prospectus Supplement will describe such considerations, to the extent they are material, as they apply generally to purchasers of such Warrants.

#### **PLAN OF DISTRIBUTION**

We may, during the 25-month period that this Prospectus, including any amendments hereto, remains valid, offer Securities directly to one or more purchasers, or to or through underwriters, dealers or agents designated from time to time. We may distribute the Securities from time to time in one or more transactions at a fixed price or at prices which may vary or be changed from time to time, at market prices prevailing at the times of sale, at prices related to prevailing market prices or at negotiated prices including sales in transactions that are deemed to be “at-the-market distributions”, including sales made directly on the TSXV or other existing trading markets for the Securities. A description of such pricing will be disclosed in the applicable Prospectus Supplement. We may offer Securities in the same offering, or we may offer Securities in separate offerings. A Prospectus Supplement will describe the terms of each specific offering of Securities, including:

- the terms of the Securities to which the Prospectus Supplement relates;
- the name or names of any underwriters, dealers or agents;
- the purchase price of the Securities offered thereby and the proceeds to be received by the Corporation from the sale of such Securities;
- any commission, underwriting discounts or fees and other items constituting compensation payable to underwriters, dealers or agents; and
- any discounts or concessions allowed or reallocated or paid to underwriters, dealers or agents.

In connection with the sale of the Securities, underwriters, dealers or agents may receive compensation, including in the form of underwriters’, dealers’ or agents’ fees, commissions or concessions. Underwriters, dealers and agents that

participate in the distribution of the Securities may be deemed to be underwriters for the purposes of applicable Canadian securities legislation and any such compensation received by them from the Corporation and any profit on the resale of the Securities by them may be deemed to be underwriting commissions.

Underwriters, dealers or agents may make sales in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an “at-the-market distribution” as defined in and subject to limitations imposed by applicable securities laws which includes sales made directly on an existing trading market for our Common Shares, or sales made to or through a market maker other than on an exchange. In connection with any offering of Securities, except with respect to any “at-the-market distribution”, underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail in the open market. Such transactions may be commenced, interrupted or discontinued at any time. No underwriter, dealer or agent involved in an “at-the-market distribution”, as defined under applicable Canadian securities laws, no affiliate of such an underwriter, dealer or agent and no person or company acting jointly or in concert with such an underwriter, dealer or agent will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

If underwriters are used in an offering, the Securities offered thereby will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions at a fixed public offering price or at varying prices determined at the time of sale. Securities may be either offered to the public through underwriting syndicates represented by one or more managing underwriters or by underwriters without a syndicate. The obligations of the underwriters to purchase Securities will be subject to the conditions precedent agreed to by the parties and set forth in the applicable Prospectus Supplement and the underwriters will be obligated to purchase all Securities under that offering if any are purchased. Any public offering price and any discounts or concessions allowed or reallocated or paid to underwriters, dealers or agents may be changed from time to time.

Securities may be sold directly by the Corporation or through dealers or agents designated by the Corporation from time to time. Any dealer or agent involved in the offer or sale of Securities in respect of which this Prospectus is delivered will be named, and any commissions or fees payable by the Corporation to any dealer or agent will be set forth, in the applicable Prospectus Supplement. Unless otherwise indicated in such Prospectus Supplement, any dealer or agent will be acting on a “best efforts” agency basis for the period of its appointment.

Each class or series of Securities, other than the Common Shares, will be a new issue of Securities with no established trading market. Subject to applicable laws, any underwriter, dealer or agent may make a market in these Securities, but will not be obligated to do so and may discontinue any market making at any time without notice. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. See “*Risk Factors*”.

The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution.

Underwriters, dealers or agents who participate in the distribution of the Securities may be entitled, under agreements to be entered into with the Corporation, to indemnification by the Corporation against certain liabilities, including liabilities under Canadian securities legislation or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Corporation in the ordinary course of business.

Underwriters, dealers or agents who participate in the distribution of the Securities may also be entitled, under agreements to be entered into with the Corporation, to an over-allocation option or other option to increase the size of the distribution. A purchaser who acquires Securities forming part of such over-allocation position or increased distribution will acquire those Securities under this Prospectus.

### **EARNINGS COVERAGE RATIOS**

Earnings coverage ratios will be provided as required in the applicable Prospectus Supplement with respect to the issuance of Debt Securities or Preferred Shares.

## PRIOR SALES

Information regarding prior sales of Securities will be provided as required in a Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

## TRADING PRICE AND VOLUME

Information regarding trading price and volume of the Securities will be provided as required for all of the Corporation's issued and outstanding Securities that are listed on any securities exchange, as applicable, in each Prospectus Supplement.

## CERTAIN INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences to an investor of acquiring any Securities offered thereunder, including, for investors who are non-residents of Canada, whether the payments of principal, interest or distributions, if any, on the Securities will be subject to Canadian non-resident withholding tax.

Prospective investors should consult their own tax advisers prior to deciding to purchase any of the Securities.

## RISK FACTORS

*Before making an investment decision, prospective purchasers of Securities should carefully consider the information described in this Prospectus and the documents incorporated or deemed incorporated by reference herein, including the applicable Prospectus Supplement. There are certain risks inherent in an investment in the Securities, including the factors described under the heading "Risk Factors" in the AIF and any other risk factors described herein or in a document incorporated or deemed incorporated by reference herein, including the AIF and the applicable Prospectus Supplement, which investors should carefully consider before investing. An investment in the Securities offered hereunder is speculative and involves a high degree of risk. The risks described in this Prospectus and in the documents incorporated by reference herein, describe certain currently known material factors, any of which could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations. If any of the following or other risks occur, it could have a material adverse effect on the business, prospects, financial condition and results of operations of the Corporation and on the value of the Securities, which could materially decline, and investors may lose all or part of their investment. Additional risks and uncertainties of which the Corporation is currently unaware or that are unknown or that it currently deems to be immaterial could also have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations. The Corporation cannot assure you that it will successfully address any or all of these risks. There is no assurance that any risk management steps taken will avoid future loss due to the occurrence of any of the risks described in this Prospectus and in the documents incorporated by reference herein, or other unforeseen risks. The market in which the Corporation currently competes is very competitive and changes rapidly. Sometimes new risks emerge and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. Prospective purchasers of Securities should not rely upon forward-looking statements as a prediction of future results. In addition to the risks described elsewhere in this Prospectus and the documents incorporated or deemed incorporated by reference herein, including the AIF and the applicable Prospectus Supplement, each of, and the cumulative effect of all of, the following risks for the Corporation should be considered.*

### **Risks Related to the Securities**

*There is no guarantee that the Securities will earn any positive return in the short term or long term.*

A holding of Securities is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. A holding of Securities is appropriate only for holders who have the capacity to absorb a loss of some or all of their holdings.

*Management of the Corporation will have broad discretion with respect to the application of net proceeds received by the Corporation from the sale of Securities under this Prospectus and future Prospectus Supplements.*

The Corporation intends to use the proceeds from any offering of Securities as described under “Use of Proceeds” herein and as set forth in the applicable Prospectus Supplement relating to that offering. However, the aggregate amount of net proceeds to be received by the Corporation pursuant to any offering of Securities is uncertain and management of the Corporation will have broad discretion in the application of the net proceeds of any such offering as well of the timing of their expenditures. Because of the number and variability of factors that will determine the Corporation’s use of proceeds of an offering of Securities, the Corporation’s ultimate use might vary substantially from that described in “Use of Proceeds” herein or in the applicable Prospectus Supplement if the Corporation believes it would be in its best interests to do so at the time such proceeds are received. Accordingly, a purchaser of Securities will have to rely upon the judgment of management with respect to the use of the proceeds, with only limited information concerning management’s specific intentions. Management may spend a portion or all of the net proceeds from any offering of Securities in ways that the Corporation’s shareholders may not desire, that may not yield a favourable return and that may not improve the Corporation’s results of operations or increase the value of the Common Shares or its other securities issued and outstanding from time to time. Pending their use, the Corporation may invest the net proceeds from any offering of Securities in a manner that does not produce income or that loses value. The results and effectiveness of the application of the net proceeds are uncertain. The failure by management to apply such funds effectively could have a material adverse effect on the Corporation’s business, prospects, financial condition and results of operations.

*The Corporation may sell additional Common Shares or other Securities that are convertible or exchangeable into Common Shares in subsequent offerings or may issue additional Common Shares or other Securities to finance future acquisitions resulting in dilution.*

The Corporation cannot predict the size or nature of future sales or issuances of securities or the effect, if any, that such future sales and issuances will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares or other Securities that are convertible or exchangeable into Common Shares, or the perception that such sales or issuances could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of Common Shares or other Securities that are convertible or exchangeable into Common Shares, investors may suffer dilution to their voting power and economic interest in the Corporation. Furthermore, to the extent holders of the Corporation’s stock options or other convertible securities convert or exercise their securities and sell the Common Shares they receive, the trading price of the Common Shares may decrease due to the additional amount of Common Shares available in the market.

*The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation’s control.*

The market price of the Common Shares may be subject to wide price fluctuations in response to many factors, including variations in the operating results of the Corporation and its subsidiaries, divergence in financial results from analysts’ expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Corporation and its subsidiaries or others in the cannabis industry, general economic and cannabis industry conditions, legislative changes, community support for the cannabis industry and other events and factors outside of the Corporation’s control, including:

- actual or anticipated fluctuations in the Corporation’s quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Corporation operates;
- addition or departure of the Corporation’s executive officers and other key personnel;

- release or expiration of transfer restrictions on outstanding Common Shares or the conversion of securities into Common Shares;
- sales or perceived sales of additional Common Shares;
- operating and financial performance that vary from the expectations of management, securities analysts and investors;
- regulatory changes affecting the Corporation's industry generally and its business and operations both domestically and abroad;
- announcements of developments and other material events by the Corporation or its competitors;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and cannabis product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Corporation or from a lack of market comparable companies;
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Corporation's industry or target markets; and
- investors' general perception of the Corporation and the public's reaction to the Corporation's press releases, its other public announcements and its filings with the Canadian securities regulators.

Financial markets have from time to time experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted, and the trading price of the Common Shares may be materially adversely affected.

*The Corporation has not declared and paid dividends in the past and may not declare and pay dividends in the future.*

The Corporation has no earnings or dividend record, and does not anticipate paying any dividends on the Common Shares in the foreseeable future. Dividends paid by the Corporation would be subject to tax and, potentially, withholdings for non-residents of Canada. Any decision to declare and pay dividends in the future will be made at the discretion of the Board and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the Board may deem relevant. As a result, investors may not receive any return on an investment in the Common Shares unless they sell their Common Shares for a price greater than that which such investors paid for them.

*There is currently no market through which the Securities, other than the Common Shares and the October 2018 Warrants that are currently listed on the TSXV, may be sold and, unless otherwise specified in the applicable Prospectus Supplement, none of the Preferred Shares, Debt Securities, Warrants or Subscription Receipts will be listed on any securities or stock exchange.*

As a consequence, purchasers may not be able to resell the Preferred Shares, Debt Securities, Warrants and Subscription Receipts purchased under this Prospectus and any Prospectus Supplement. This may affect the pricing of the Securities, other than the Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of these securities and the extent of issuer regulation. There can be no assurance that an active trading market for the Securities, other than the Common Shares, will develop or, if developed, that any such market, including for the Common Shares, will be sustained.

The Common Shares and the October 2018 Warrants are currently listed on the TSXV; however, there can be no assurance that an active and liquid market for the Common Shares or the October 2018 Warrants will be maintained. An investor may find it difficult to resell securities of the Corporation.

*The Debt Securities may be unsecured and may rank equally in right of payment with all of our other future unsecured debt.*

The Debt Securities may be unsecured and may rank equally in right of payment with all of our other existing and future unsecured debt. The Debt Securities may be effectively subordinated to all of our existing and future secured debt to the extent of the assets securing such debt. If we are involved in any bankruptcy, dissolution, liquidation or reorganization, the secured debt holders would, to the extent of the value of the assets securing the secured debt, be paid before the holders of unsecured debt securities, including any Debt Securities that are unsecured. In that event, a holder of Debt Securities may not be able to recover any principal or interest due to it under the Debt Securities.

In addition, the collateral, if any, and all proceeds therefrom, securing any Debt Securities may be subject to higher priority liens in favor of other lenders and other secured parties which may mean that, at any time any obligations that are secured by higher ranking liens remain outstanding, actions that may be taken in respect of the collateral (including the ability to commence enforcement proceedings against the collateral and to control the conduct of such proceedings) may be at the direction of the holders of such indebtedness.

*Ownership of Securities may be considered unlawful in some jurisdictions outside of Canada and holders of Securities may consequently be subject to liability in such jurisdictions.*

Cannabis-related financial transactions, including investment in the securities of cannabis companies and receipt of any associated benefits, such as dividends, are currently subject to anti-money laundering and a variety of other laws that vary by jurisdiction, many of which are unsettled and still developing. While the interpretation of these laws is unclear, in some jurisdictions outside of Canada, financial benefit directly or indirectly arising from conduct that would be considered unlawful in such jurisdiction may be viewed to be within the purview of these laws, and persons receiving any such benefit, including investors in an applicable jurisdiction, may be subject to liability under such laws. Each prospective investor should therefore contact his, her or its own legal advisor regarding the ownership of Securities and any related potential liability.

*Enforcement of judgments against foreign persons may not be possible.*

Investors should be aware that some of the directors of the Corporation are located outside of Canada and, as a result, it may not be possible for purchasers of the Securities to effect service of process within Canada upon these persons. All or a substantial portion of the assets of these persons are likely to be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against such persons in Canada or to enforce a judgment obtained in Canadian courts against such persons outside of Canada. See “*Enforceability of Judgments Against Foreign Persons*”.

*Publication of inaccurate or unfavourable research and reports.*

The trading market for the Common Shares relies in part on the research and reports that securities analysts and other third parties choose to publish about the Corporation. The Corporation will not control these analysts or other third parties. The price of the Common Shares could decline if one or more securities analysts downgrade the Common Shares or if one or more securities analysts or other third parties publish inaccurate or unfavourable research about the Corporation or cease publishing reports about the Corporation. If one or more analysts cease coverage of the Corporation or fail to regularly publish reports on the Corporation, the Corporation could lose visibility in the financial markets, which in turn could cause the Corporation's share price or trading volume to decline.

*Future sales of the Common Shares by existing shareholders.*

Sales of a substantial number of Common Shares in the public market could occur at any time following, or in connection with, the completion of an offering of Securities under this Prospectus. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of the Common Shares.

*The regulated nature of the Corporation's business may impede or discourage a takeover, which could reduce the market price of the Common Shares.*

The Corporation requires and holds various government licences and permits to operate its business, which would not necessarily continue to apply to an acquirer of its business following a change of control. These licensing requirements could impede a merger, amalgamation, takeover or other business combination involving the Corporation or discourage a potential acquirer from making an offer for the Common Shares, which, under certain circumstances, could reduce the market price of our Common Shares.

**Risks Related to the Corporation's Business and the Cannabis Industry***Impact of Coronavirus ("COVID-19").*

The rapid spread of COVID-19 has affected both people and global operations and may continue to do so for the foreseeable future. The extent of the financial and operational impact of COVID-19 has yet to be fully determined. The impact on the Corporation has or may include curtailment of operations if deemed non-essential, logistic issues related to supply and delivery of products, stock market volatility resulting in both valuation changes to Namaste's portfolio investments and limiting access to capital markets, revaluation of other financial assets, foreign translation risk as a result of declines in the Canadian dollar, and delays in financial reporting. Canadian securities regulators have recognized the latter and provided blanket relief for filers with up to 45 day filing extensions. The Corporation has relied on these extensions for both the annual financial filings and first quarter financial reporting.

To minimize the spread of the virus and its impact on the operations, the Corporation has instituted measures including creating a committee focused on consistent and open communications with the staff, implementing best in-class hygiene practices, facilitating remote work locations where possible, imposing travel restrictions and minimizing social exposure by conducting meetings remotely.

*Reliance of the Corporation on Licensing.*

The Corporation's business operations, including its ability to sell cannabis and cannabis products in Canada and other jurisdictions, are dependent on maintaining and renewing its licences and permits, as applicable, and on maintaining licences and/or permits or obtaining additional licences and permits from the applicable regulatory authorities, as required. Although the Corporation believes that it is complying in all material respects with the terms of its existing licences in Canada there is no assurance that the Corporation will be able to maintain its licences and permits, renew or extend them on the same or similar terms, or obtain any remaining licences and permits that it requires to operate. Any failure to maintain such licences, or failure or delay in obtaining licences for existing or expanded operations, would have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

In addition, these licences and permits are subject to ongoing compliance and reporting requirements and must be renewed from time to time. Although the Corporation believes it will meet the requirements for future extensions or renewals of its licences and permits there can be no guarantee that Health Canada or other applicable regulatory authorities will extend or renew its licences and permits, and if extended or renewed, that the licences and permits will be extended or renewed on the same or similar terms. Should the licences and permits not be renewed, or renewed on different terms, it would have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations. There are also various licensing requirements which the Corporation and certain of its directors, officers and employees would need to satisfy for future extensions or renewals. There is no guarantee that the Corporation and/or such persons will satisfy the applicable licensing requirements.

The Corporation may be unable to obtain, maintain or renew the necessary licences, permits, certificates, authorizations or accreditations to operate its business or on less advantageous terms. The Corporation may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry in the jurisdictions in which it operates. Failure to comply with or to obtain the necessary licences, permits, certificates, authorizations or accreditations could result in restrictions on the Corporation's ability to operate in the cannabis industry in any jurisdiction, which could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

CannMart Labs has recently applied to Health Canada for a processing licence to allow for cannabis extraction activities. There can be no assurance that such licence will be granted. The failure of the Corporation to successfully execute its expansion strategy into the extraction of cannabis (including receiving Health Canada approvals in a timely fashion) could adversely affect the business, financial condition and results of operations of the Corporation.

#### *Disruption of Supply Chain.*

Conditions or events including, but not limited to, those listed below could disrupt the Corporation's, and other industry participants', supply chains, interrupt operations, increase operating expenses, and thereby result in loss of sales, delayed performance of contractual obligations or require additional expenditures to be incurred: (i) extraordinary weather conditions or natural disasters such as hurricanes, tornadoes, floods, fires, extreme heat, earthquakes, etc.; (ii) a local, regional, national or international outbreak of a contagious disease, including the COVID-19 coronavirus, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu, or any other similar illness could result in a general or acute decline in economic activity (see "Risk Factors – COVID-19"); (iii) political instability, social and labour unrest, war or terrorism; or (iv) interruptions in the availability of basic commercial and social services and infrastructure including power and water shortages, and shipping and freight forwarding services including via air, sea, rail and road. The extent to which COVID-19 or any other contagious disease impacts the Corporation's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of this or any other outbreak and the actions to contain those outbreaks or treat its impact, among others.

#### *Lack of Control Over Operations of Supply Partners.*

The Corporation's business relies on its supply partners to execute on its business plans and produce cannabis products. The operators of its partners have significant influence over the results of operations of the partners. Further, the interests of the Corporation's and the operators of the partners may not always be aligned. As a result, there is a risk to the Corporation that at any time those third parties may: (a) have business interests or targets that are inconsistent with those of the Corporation; (b) take action contrary to the Corporation's policies or objectives; (c) be unable or unwilling to fulfill their obligations under their agreements with the Corporation; or (d) experience financial, operational or other difficulties, including insolvency, which could limit or suspend a third party's ability to perform its obligations. The Corporation must also rely, in part, on the accuracy and timeliness of the information it receives from the supply partners, and uses such information in its analyses, forecasts and assessments relating to its own business. If the information provided by its partners to the Corporation contains material inaccuracies or omissions, the Corporation's ability to accurately forecast or achieve its stated objectives, or satisfy its reporting obligations, may be materially impaired.

*Supply Arrangements with Provincial Governments.*

The Corporation expects to derive a significant portion of its future revenues from its supply arrangements with the various Canadian provinces. There are many factors which could impact the Corporation's contractual and other arrangements with the provinces, including but not limited to availability of supply, product selection and the popularity of the Corporation's products with retail customers. If the Corporation's supply arrangements with certain Canadian provinces are amended, terminated or otherwise altered, the Corporation's sales and results of operations could be adversely affected, which could have a material adverse effect on the Corporation's business, financial condition and results of operations. The Corporation's supply arrangements with the various Canadian provinces do not contain purchase commitments or otherwise obligate the provincial or territorial wholesaler to buy a minimum or fixed volume of cannabis products from the Corporation. The amount of cannabis products that the provincial or territorial wholesalers may purchase under the supply arrangements may therefore vary from what the Corporation expects or has planned for. As a result, the Corporation's revenues could fluctuate materially in the future and could be materially and disproportionately impacted by the purchasing decisions of the provincial or territorial wholesalers. The Corporation cannot accurately predict the quantities of its products that will be purchased by the provincial or territorial wholesalers, or if they will purchase any products at all. Any inability to secure purchase orders could have a material adverse effect on the Corporation's business, financial condition or results of operations.

*Development of New Products.*

It is likely that the Corporation, and its competitors, will seek to introduce new products in the future, including additional edible cannabis product formats and cannabis derivatives. In attempting to keep pace with any new market developments, the Corporation may need to deploy significant amounts of capital in order to successfully develop and generate revenues from new products introduced by the Corporation. As well, the Corporation may be required to obtain and maintain additional regulatory approvals from Health Canada and any other applicable regulatory authority, which may take significant amounts of time. The Corporation may not be successful in developing effective and safe new products, bringing such products to market in time to be effectively commercialized, gaining market acceptance for such products or obtaining any required regulatory approvals, which, together with any capital expenditures made in the course of such product development and regulatory approval processes, may have a material adverse effect on the Corporation's business, financial condition and results of operations.

*The Corporation has a limited operating history.*

The Corporation has a limited operating history in the cannabis industry and, accordingly, potential investors will have a limited basis on which to evaluate the Corporation's ability to achieve its business objectives. The future success of the Corporation is dependent on management's ability to implement its strategy. Although management is optimistic about the Corporation's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved and there is no certainty that the Corporation will be able to successfully establish a market for its products. The Corporation faces risks frequently encountered by early-stage companies. In particular, its future growth and prospects will depend on its ability to expand its operations and gain additional revenue streams whilst at the same time maintaining effective cost controls. Any failure to expand is likely to have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

*The Corporation may not be able to achieve or maintain sufficient working capital to meet future obligations.*

At May 31, 2020, the Corporation had working capital of \$28,296,011. The Corporation's ability to satisfy its working capital requirements will depend on a number of factors, some of which are beyond its control. Factors that will influence the Corporation's ability to achieve or maintain sufficient working capital to meet its future obligations will include general global economic conditions, credit and capital market conditions, cannabis industry conditions and results of operations. There is no guarantee that the Corporation will continue to have positive working capital in the future, or that the working capital generated from operations will be sufficient to cover its expansion plans or the cost of future operations.

***The Corporation has negative cash flow from operations and will need additional financing.***

To date, the Corporation has had negative cash flow from operating activities. To fund its current operations and anticipated growth, additional funds will be required. A portion of these funds may be funded out of the net proceeds of an offering of Securities under this Prospectus. The Corporation cannot guarantee it will achieve cash flow positive status in the future or have access to sufficient financial resources to fund its operations. Continued negative cash flow may restrict the Corporation's ability to pursue its business objectives which could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

The building and operation of the Corporation's facilities and business are capital intensive. In order to execute the anticipated growth strategy, the Corporation will require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures and to undertake additional acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Corporation when needed, or on terms which are acceptable to the Corporation. The Corporation's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Corporation's growth and may have a material adverse effect upon future profitability. The Corporation may require additional financing to fund its operations to the point where it is generating positive cash flows.

***The Corporation may not be able to achieve or maintain profitability.***

The Corporation has incurred losses since inception. The Corporation may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Corporation expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Corporation's revenues do not increase to offset these expected increases in costs and operating expenses, the Corporation will not be profitable.

***Risks regarding vaporizer products.***

On October 4, 2019, the U.S. Food and Drug Administration issued a warning to the public to stop using vaping liquids containing cannabis derivatives and ingredients, such as tetrahydrocannabinol ("THC") and cannabidiol ("CBD"), in light of a potential but unconfirmed link to lung injuries such as severe pulmonary illness. Lung injuries associated with the use of cannabis derivative containing vaping liquid have equally been reported in Canada but to a lesser extent. In response, Health Canada has issued an information update advising Canadians who use cannabis derivative containing vaping liquids to monitor themselves for symptoms of pulmonary illness. There may be further governmental and private sector actions aimed at reducing the sale of cannabis containing vaping liquids and/or seeking to hold manufacturers of cannabis containing vaping liquids responsible for the adverse health effects associated with the use of these vaping products. These actions, combined with potential deterioration in the public's perception of cannabis containing vaping liquids, may result in a reduced market for vaporizer products sold or distributed by the Corporation. Federal, provincial and local regulations or actions that prohibit or restrict the sale of vaporizer products including cannabis derivative vaping liquids, or that decrease consumer demand for such products by prohibiting their use, raising the minimum age for their purchase, raising the purchase prices to unattractive levels via taxation, or banning their sale, could adversely impact the financial condition and results of operations of the Corporation.

***Results of future clinical research and the long-term health impacts associated with use of cannabis and cannabis products are unknown.***

Research in Canada, the United States and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated phytocannabinoids (such as CBD and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated phytocannabinoids (such as CBD and THC). Although the Corporation believes that the articles, reports and studies support its beliefs regarding the effects of cannabis, as well as its viability, safety, efficacy, dosing and social acceptance, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, cannabis. Further, the Corporation believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. 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 market or any particular product, or consistent with earlier publicity.

Future research studies and clinical trials may reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to cannabis, which could have a material adverse effect on the demand for cannabis and cannabis products with the potential to lead to a material adverse effect on the Corporation's business, prospects, financial condition and results of operations. There is no assurance that such adverse publicity reports or other media attention will not arise.

There are inherent risks associated with using cannabis and cannabis products. Cannabis and cannabis products should always be used only as specifically instructed on the packaging and associated product information or product insert. Consumers should never modify cannabis products or add substances to such products as this may result in increased health risks and unpredictable adverse reactions. Previously unknown or unforeseeable adverse reactions arising from human consumption of cannabis products may occur and consumers should consume cannabis at their own risk or in accordance with the direction of a health care practitioner.

*Risks inherent to the cannabis industry.*

The Corporation operates in a highly regulated and rapidly evolving market. Sometimes new risks emerge and management may not be able to predict all of them, or be able to predict how they may cause actual results to vary from those described in any forward-looking statements. The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The laws, regulations and guidelines generally applicable to the cannabis industry domestically and internationally may change in ways unforeseen by the Corporation as at the date of this Prospectus. The Corporation's operations are subject to a variety of laws, regulations and guidelines relating to the sale of cannabis and cannabis products under the Cannabis Act and similar applicable legislation in other jurisdictions, as well as those under other legislation. While to the knowledge of management, the Corporation is currently in material compliance with all such laws, any changes to such laws, regulations, guidelines and policies may have a material adverse effect on its business, prospects, financial condition and results of operations. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the Corporation's ability to sell and distribute cannabis and cannabis products, or the ability of its affiliates and/or partners to complete their licensing process. Amendment to current laws and regulations governing the distribution, transportation and/or production of cannabis, or more stringent implementation thereof, could cause increases in expenses and costs, which could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

*Changes in laws, regulations and guidelines.*

The Cannabis Act and Cannabis Regulations came into force on October 17, 2018. The Cannabis Act restricts packaging, labelling and promotional activity. The Cannabis Regulations restrict and place requirements on packaging and labelling. The restrictions on packaging, labelling and promotional activity, and the requirements on packaging and labelling, or changes in such restrictions and requirements, could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

The legislative and operational framework of the provinces and territories of Canada pertaining to the distribution of cannabis products for the recreational market varies. The same is true for legislation applicable to medical cannabis in international jurisdictions. This variation among jurisdictions has resulted in additional regulations, creating additional compliance and other costs and/or limitations on the Corporation's ability to participate in such markets. There is no guarantee that jurisdictional legislation regulating the distribution and sale of cannabis for recreational or medical purposes, as applicable, will be enacted according to all the terms announced by such jurisdictions, or at all, or that any such legislation, if enacted, will create the growth opportunities that the Corporation currently anticipates. While the impact of any new legislative framework for the regulation of the recreational cannabis market or medical cannabis market, as applicable, is uncertain, any of the foregoing could result in a material adverse effect on the Corporation's business, prospects, financial condition and results of operations. The asymmetrical regulatory and market environment for recreational and medical cannabis in each of the provinces and territories of Canada, or of

medical cannabis in jurisdictions outside of Canada, could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

The governments of every Canadian province and territory have implemented regulatory regimes for the distribution and sale of cannabis for recreational purposes within those jurisdictions. There can be no assurance that regulation of recreational cannabis by each of the provinces and territories will continue as planned.

*Market development and continued legalization.*

The commercial cannabis industry, and the medical and recreational cannabis markets, are relatively new in Canada and in other jurisdictions. This industry and its associated markets may not continue to exist or grow as anticipated or the Corporation may ultimately be unable to succeed in this industry and market. Development of the cannabis industry may be slower or less than originally anticipated due to a variety of factors that are out of the Corporation's control, including: (i) delayed approvals for regulation of both medical and recreational cannabis in international markets; (ii) supply chain issues with delivery of cannabis products to end users; (iii) delayed or cancelled approvals for cannabis products that are new classes of cannabis; or (iv) lack of successful research and development ("R&D") for cannabis products, including those that are new classes of cannabis. Any of these could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

*Management of growth and capacity constraints.*

The Corporation may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Corporation 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 Corporation to deal with this growth may have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

*Competition within the cannabis industry.*

The market in which the Corporation operates is competitive and fast moving and may become even more competitive. The Corporation faces intense competition from other companies, some of which can be expected to have a longer operating history, more financial resources, and may have more sales and distribution and marketing experience than the Corporation. Increased competition by larger and better financed competitors could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

The number of licences granted and the number of federal cannabis licence holders ultimately authorized by Health Canada, and other applicable regulatory bodies in the markets in which the Corporation operates, could have an impact on the operations of the Corporation. If a significant number of new licences are granted by Health Canada, or other applicable regulatory bodies in the markets in which the Corporation operates, in the near future, the Corporation may experience increased competition for market share within the medical market and recreational markets, which could negatively impact the Corporation's market share and demand for products.

If the demand for cannabis products in the Canadian medical and recreational markets, and the demand in other applicable jurisdictions, increases, along with an increased number of sales licence holders, the Corporation expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products, particularly within the new classes of cannabis. To remain competitive, the Corporation will require a continued high level of investment in marketing, sales and client support. The Corporation may not have sufficient resources to maintain marketing and sales support efforts on a competitive basis which could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

*Strategic acquisitions and partnerships.*

The Corporation currently has and may enter into further strategic acquisitions, partnerships or similar relationships that it believes will complement or augment its existing business. The Corporation's ability to complete such strategic acquisitions or partnerships is dependent upon, and may be limited by, the availability of suitable candidates and

capital. There can be no assurance that the Corporation will be able to identify acquisition or partnership opportunities that meet its strategic objectives, or to the extent such opportunities are identified, that it will be able to negotiate terms that are acceptable to it. In addition, strategic acquisitions or partnerships could present unforeseen integration obstacles or costs, may not enhance the Corporation's business, and may involve risks that could adversely affect the ongoing business of the Corporation, including significant amounts of management time that may be diverted from operations to pursue and complete such transactions or maintain such strategic partnerships. Future strategic acquisitions or partnerships could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic acquisitions or partnerships will achieve, or that the Corporation's existing strategic partnerships will continue to achieve, the expected benefits to the Corporation's business or that the Corporation will be able to consummate future strategic partnerships on satisfactory terms, or at all. The Corporation may also experience negative reactions from the financial markets, which could cause a decrease in the market price of the Corporation's securities, particularly if the market price reflects market assumptions that acquisitions or partnerships will be completed or completed on certain terms.

Further, some strategic partnerships involve supply or similar agreements with provincial control boards and regulatory authorities in certain Canadian jurisdictions, such as Alberta, British Columbia, Manitoba, Ontario and Saskatchewan, whereby the provinces are not obligated to make any purchases or can return unsold cannabis products. Also, none of the Corporation's customers have minimum purchase obligations pursuant to any of the Corporation's arrangements to supply cannabis products into Alberta, British Columbia, Manitoba, Ontario and Saskatchewan. The Corporation expects to derive a significant amount of revenue through its agreements with Alberta, British Columbia, Manitoba, Ontario and Saskatchewan to supply cannabis and cannabis products to licensed retailers in Alberta, British Columbia, Manitoba, Ontario and Saskatchewan. However, if any of these partners or licensed retailers decides to purchase lower volumes of cannabis products than the Corporation expects or at a lower price, alters its purchasing patterns with little or no notice to the Corporation, returns product to the Corporation or decides not to purchase products from the Corporation at all, the Corporation's revenues would be materially and adversely affected.

*Competition from illicit dispensaries and the illicit market.*

The Corporation also faces competition from illicit dispensaries and the illicit market more broadly. Participants in these markets are unlicensed and unregulated. They may be selling cannabis and cannabis products with higher concentrations of active ingredients and using classes of cannabis that are not yet regulated for sale in Canada. Various Canadian cities have seen an influx in the number of illicit dispensaries. Any inability or unwillingness of law enforcement authorities to enforce existing laws prohibiting the unlicensed cultivation and sale of cannabis and cannabis products could result in the perpetuation of the illicit market for cannabis and/or have a material adverse effect on the perception of cannabis use. Any or all these events could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

*Competition from synthetic products.*

The pharmaceutical industry may attempt to dominate the cannabis industry, and in particular, legal cannabis, through the development and distribution of synthetic products which emulate the effects of cannabis. If they are successful, the widespread popularity of such synthetic products could change the demand, volume and profitability of the cannabis industry. This could adversely affect the ability of the Corporation to secure long-term profitability and success through the sustainable and profitable operation of the anticipated businesses and investment targets, and could have a material adverse effect on the Corporation's business, financial condition or results of operations.

*Reputational risk and negative public opinion.*

Damage to the Corporation's reputation can result from the actual or perceived occurrence of any number of events, including any negative publicity, whether true or not. As a distributor of cannabis, which was previously a controlled substance in Canada, and still may be associated with various other controlled substances, violence and criminal activities, there is a risk that the Corporation's business might attract negative publicity. There is also a risk that the actions of other federal cannabis licence holders, permitted retailers or other companies and service providers in the cannabis industry, including those with whom the Corporation has or will enter into agreements with, may negatively affect the reputation of the industry as a whole and thereby negatively impact the Corporation's reputation. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content

and to connect with other users has made it increasingly easier for individuals and groups to communicate and share negative opinions and views regarding the Corporation's activities and the cannabis industry in general, whether true or not. The Corporation does not ultimately have direct control over how the Corporation or the cannabis industry is perceived by others. Reputational issues may result in decreased investor confidence, increased challenges in developing and maintaining community relations and present an impediment to the Corporation's overall ability to advance its business strategy and realize on its growth prospects, which could have a material adverse effect on the Corporation's business, financial condition or results of operations.

***If consumers elect to produce cannabis for their own purposes under the Cannabis Regulations it could reduce the addressable market for the Corporation's products.***

Under the Cannabis Regulations, three options are available for an individual to obtain cannabis for medical purposes: (i) registering with a holder of a licence to sell for medical purposes and purchasing products from that entity; (ii) register with Health Canada to produce a limited amount of cannabis for their own medical purposes; or (iii) designate someone else to produce cannabis for them. In addition, the Cannabis Act permits households to grow a maximum of four cannabis plants for recreational purposes. subject to further regulation by provincial and municipal governments. It is possible that production of cannabis by consumers for medical or recreational purposes could significantly reduce the addressable market for the Corporation's products and could have a material adverse effect on the Corporation's business, financial condition or results of operations.

***Reliance on the expertise of the Board and key executives.***

The successful ongoing operation of the Corporation requires substantial expertise. The Board and management will have authority to make decisions and to exercise investment acquisition discretion on behalf of the Corporation. The success of the Corporation will depend to a great extent upon the expertise of the Board and management. The loss of the services of any member of the Board or one or more members of management, including as a result of the failure of such persons to be granted security clearances under the Cannabis Regulations, could have a material adverse effect on the Corporation's business, financial condition or results of operations.

***The Corporation may not be able to maintain or renew its leases for its facilities.***

The Corporation may be unable to maintain or renew its leases for its facilities, including its leases for its facilities in Etobicoke, Ontario, on commercially acceptable terms or at all. Moreover, under certain circumstances, the Corporation's leases may be terminated at the option of the Corporation's landlord and there can be no assurance that such termination will not occur during the term of the leases. The termination of any lease, an inability to renew any lease or the renewal of any lease on terms less favourable to the Corporation, including at a rental rate higher than the prevailing rate under the applicable lease prior to expiration, could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations. In addition, in the event of termination or non-renewal of any of the Corporation's leases, the Corporation may be unable to locate suitable replacement properties for its facilities or it may experience delays in relocation that could significantly disrupt its operations, which could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

***Breaches of security at facilities or in respect of electronic documents and data storage and risks related to breaches of applicable privacy laws.***

Given the nature of the Corporation's product and its lack of legal availability outside of channels approved by the Government of Canada, as well as the concentration of inventory in its facilities, despite meeting or exceeding Health Canada's security requirements, there remains a risk of shrinkage as well as theft. A security breach at one of the Corporation's facilities could expose us 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 the Corporation's products.

As a federal cannabis licence holder, the Corporation is expected to collect and store personal information and is responsible for protecting that information from privacy breaches. In addition, when the Corporation sells products through third parties, such third parties are also required to protect such information. A privacy breach may occur

through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes, particularly patient 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 involving the Corporation and/or its partners would have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations. Moreover, there are a number of federal, provincial and territorial laws protecting the confidentiality of certain patient health information, including patient records, and restricting the use and disclosure of that protected information. In particular, the privacy rules under the Personal Information Protection and Electronic Documents Act ("**PIPEDA**"), protect medical records and other personal health information by limiting their use, and disclosure of health information, to the minimum level reasonably necessary to accomplish the intended purpose. If the Corporation or any of its partners was found to be in violation of the privacy or security rules under PIPEDA or other laws protecting the confidentiality of patient health information, such person could be subject to sanctions and civil or criminal penalties, which could increase the Corporation's liabilities, harm its reputation and have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

*Fraudulent or illegal activity by employees, contractors and consultants.*

The Corporation is exposed to the risk that any of its employees, independent contractors and consultants may engage in fraudulent or other illegal activity or any activity not in compliance with the Corporation's licences and permits or the Cannabis Act, the Cannabis Regulations or similar applicable legislation in other jurisdictions. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities that violate (i) government regulations, (ii) manufacturing standards, (iii) federal, state and provincial healthcare fraud and abuse laws and regulations, (iv) laws that require the true, complete and accurate reporting of financial information or data; or (v) the Corporation's licences and permits, as applicable. It may not always be possible for the Corporation to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Corporation to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Corporation 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 the Corporation, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the business of the Corporation, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the operations of the Corporation, any of which could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

*Inability to sustain and effectively manage growth and development.*

The Corporation is an early-stage company attempting to grow its business rapidly. Its ability to grow will depend on a number of factors, many of which are beyond its control, including the availability of sufficient capital on acceptable terms, potential changes in laws and regulations respecting the processing, sales and distribution of cannabis products, competition from other federal cannabis sales licence holders, ability to recruit and retain experienced personnel, ability to manage complex international operations and other factors outlined herein. In addition, the Corporation is subject to a variety of business risks generally associated with developing companies. As its operations grow in size, scope and complexity, and as it identifies and pursues new opportunities, it may have difficulty in implementing or maintaining required new or improved controls and such difficulty may, in the future, result in material weaknesses in the Corporation's internal control over financial reporting or material misstatements in its future consolidated financial statements.

In addition, as the Corporation grows its business, it will need to effectively execute on business opportunities, continue to build on and deploy its assets, and access new capital. The ability to execute these initiatives successfully, as well as to complete acquisitions and otherwise capitalize on other growth opportunities, may redirect the Corporation's limited resources and require expansion of its infrastructure. As a result, the Corporation may be required to commit financial, operational and technical resources in advance of any increase in its revenues or sales volumes, and there is no assurance that revenue or sales volumes will actually increase. The Corporation may not respond adequately or quickly enough to the changing demands that expansion will impose on its management, employees and existing infrastructure, and any changes to its operating structure may result in unanticipated costs or inefficiencies. As the Corporation grows, changes may have a negative impact on its operations, and cost increases resulting from its inability to effectively manage its growth could adversely impact its profitability.

Any failure to effectively manage the Corporation's growth could result in difficulty or delays in servicing its customers, declines in quality or consumer satisfaction, increases in costs, difficulties in introducing new products or other operational difficulties, and any of these difficulties could adversely impact the Corporation's business and results of operations. There can be no assurance that the Corporation will be able to effectively manage its expanding operations, achieve profitability, attract and retain sufficient personnel or successfully make or integrate strategic investments or acquisitions.

*Product liability due to the nature of the Corporation's products.*

As a distributor of products designed to be ingested by humans, the Corporation 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 sale of the Corporation's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Corporation's products alone or in combination with other medications or substances could occur. The Corporation may be subject to various product liability claims, including, among others, that the Corporation's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Corporation could result in increased costs, could adversely affect the Corporation's reputation with clients and consumers generally, and could have a material adverse effect on the business, prospects, financial condition and results of operations of the Corporation. There can be no assurances that the Corporation will be able to obtain or 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 obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could have a material adverse effect on the business, prospects, financial condition and results of operations of the Corporation.

*Product recalls including contamination and unintended harmful side effects.*

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 labelling disclosure. If products sold or distributed by the Corporation are recalled due to an alleged product defect or for any other reason, the Corporation could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Corporation may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Corporation has procedures in place for testing of products in accordance with applicable law, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. A recall for any of the foregoing reasons could lead to decreased demand for products distributed by the Corporation and could have a material adverse effect on the business, prospects, financial condition and results of operations of the Corporation. Additionally, product recalls may lead to increased scrutiny of the Corporation's operations by Health Canada or other applicable regulatory authorities, requiring further management attention and potential legal fees and other expenses.

*Product exchanges, returns and warranty claims may adversely affect the business.*

If the Corporation is unable to maintain an acceptable degree of quality control over the products it distributes, the Corporation will incur costs associated with the exchange and return of the products as well as servicing its customers for warranty claims. Any of the foregoing on a significant scale may have a material adverse effect on the business, results of operations and financial condition.

*Reliance on Chinese manufacturers to produce our products.*

The Corporation's manufacturers are based in China. Certain Chinese factories and the products they export have recently been the source of safety concerns and recalls, which is generally attributed to lax regulatory, quality control and safety standards. There have also been recent trade tensions between Canada, the United States and other countries. Should Chinese factories continue to draw public criticism for exporting unsafe products, whether those

products relate to the Corporation's products or not, or should products be restricted or tariffs be applied due to changes in trading policies, the Corporation may be adversely affected by the stigma associated with Chinese production, higher costs, or limited availability of products, which could have a material adverse effect on the business, results of operations and financial condition.

***Reliance on third party service providers.***

The Corporation has established relationships with third party service providers, such as Shopify and Ample Organics on whom the Corporation relies for e-commerce platform services and the required compliant seed-to-sale enterprise resource planning system mandated by Health Canada. A third party's failure to provide contracted services in a timely manner, or to supply services that meet the Corporation's quality or cost requirements, or its inability to obtain substitute sources for these services in a timely manner or on terms acceptable to the Corporation, could harm the Corporation's ability to process, distribute and sell its products.

***Inability to establish sustainable relationships with large wholesalers or manufacturers.***

The Corporation believes the best way to develop brand and product recognition and increase sales volume is to establish relationships with large retailers and manufacturers. The Corporation currently has established relationships with several large wholesalers and manufacturers and in connection therewith we have agreed to carry and offer their products for sale. The Corporation may not be able to sustain these relationships or establish other relationships with wholesalers or manufacturers or, even if we do so, sustain such other relationships. The Corporation's inability to develop and sustain relationships with large wholesalers or manufacturers will impede the ability to develop brand and product recognition and increase sales volume, which will have a material adverse effect on our business, results of operations and financial condition.

***Any prolonged disruption in delivery services used to distribute our products.***

The Corporation depends on fast, cost-effective and efficient delivery services to distribute our product to both wholesale and retail customers. Any prolonged disruption of these services could have an adverse effect on the Corporation's financial condition and results of operations. Rising costs associated with the delivery services the Corporation uses to ship products may also adversely impact the Corporation's business and its ability to operate profitably.

***Protection of intellectual property.***

The Corporation's success depends in part on its ability to protect its ideas and technology. Even if it moves to protect its technology with trademarks, patents, copyrights or by other means, it is not assured that competitors will not develop similar technology, business methods or that the Corporation will be able to exercise its legal rights. Other countries may not protect intellectual property rights to the same standards as does Canada. Actions taken by the Corporation to protect or preserve intellectual property rights may require significant financial and other resources such that said actions have a meaningful impact on its ability to successfully grow its business.

***Inability to offer brands that attract or retain customers.***

The Corporation's success is dependent upon, among other things, continually offering desirable and effective cannabis products and the continued growth in the aggregate number of recreational cannabis consumers. Campaigns designed to enhance the brands offered by the Corporation and attract consumers, subject to restrictions imposed by law, can be expensive and may not result in increased sales. If the Corporation is unable to attract new consumers, it may not be able to increase its sales.

***Reliance on Information Technology and Cybersecurity.***

The Corporation is reliant on the continuous and uninterrupted operation of its Information Technology ("IT") systems. User access and security of all IT systems can be critical elements to the operations of the Corporation. Protection against cybersecurity incidents, cloud security and security of all of the Corporation's IT systems are critical

to the operations of the Corporation. Any IT failure pertaining to availability, access or system security could result in disruption of online sales and could adversely affect the reputation, operations or financial performance of the Corporation.

The Corporation's IT systems could be compromised by unauthorized parties attempting to extract business sensitive, confidential or personal information, corrupting information or disrupting business processes or by inadvertent or intentional actions by the Corporation's employees or vendors. A cybersecurity incident resulting in a security breach or failure to identify a security threat could disrupt business and could result in the loss of business sensitive, confidential or personal information or other assets, as well as litigation, regulatory enforcement, violation of privacy or securities laws and regulations, and remediation costs.

While the Corporation has established business continuity plans and risk management systems seeking to address system breaches or failures including, but not limited to, intrusion prevention and firewall hardware systems; MAC ID and IP blacklists; comprehensive anti-virus software libraries; network real-time monitoring; cloud-based virtual data distribution in fractional segments using RSA encryption keys; grandfather, father, son data backup strategies; and antivirus and malware protection software, there are inherent limitations in such plans and systems and there is no guarantee that such efforts will succeed.

Any such unauthorized entry or breach into the Corporation's IT systems could have an adverse impact on the Corporation's financial condition and operations.

*Conflicts of interest in respect of directors and officers of the Corporation.*

All decisions to be made by the directors and officers involving the Corporation are required to be made in accordance with their duties and obligations to act honestly and in good faith with a view to the best interests of the Corporation. In addition, such directors and officers are required to declare their interests in, and to refrain from voting on, any matter in which they may have a material conflict of interest. However, certain of the directors and officers of the Corporation are also directors and officers of other companies or are engaged and will continue to be engaged in activities that may put them in conflict with the business strategy of the Corporation.

*Constraints on marketing products due to statutory prohibitions.*

The Corporation intends to develop brand/product differentiation strategies to retain and/or grow brand market share. The potential for success of these strategies is uncertain, dependent on various factors, and subject to various challenges.

The development of the Corporation's business and operating results may be hindered by applicable regulatory restrictions on promotional activity and packaging. Under the Cannabis Act, marketing and advertising for cannabis products is significantly limited. Accordingly, the regulatory environment in Canada limits the Corporation's ability to compete for market share in a manner similar to other industries.

If the Corporation is unable to effectively market its offered cannabis products and compete for market share, or if the costs of compliance cannot be absorbed through increased selling prices for its offered cannabis products, it could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

*Consumer preferences may change, and the Corporation may be unsuccessful in acquiring or retaining consumers and keeping pace with changing market developments.*

As a result of changing consumer preferences, many consumer products attain financial success for a limited period of time. Even if the products offered by the Corporation find success at retail, there can be no assurance that such products will continue to be profitable. The Corporation's success will be significantly dependent upon its ability to offer new and improved product lines and adapt to consumer preferences. Even if the Corporation is successful in introducing new products, a failure to gain consumer acceptance could cause a decline in the products' popularity and impair its brand. In addition, the Corporation may be required to invest significant capital in the creation of new product lines, strains, brands, marketing campaigns, packaging and other product features, none of which are

guaranteed to be successful. Failure to introduce new features and product lines and to achieve and sustain market acceptance could result in the Corporation being unable to satisfy consumer preferences and generate revenue.

The Corporation's success depends on its ability to attract and retain consumers. There are many factors which could impact its ability to attract and retain consumers, including its ability to continually offer desirable and effective products, the successful implementation of its consumer acquisition plan and the continued growth in the aggregate number of potential consumers. The Corporation's failure to acquire and retain consumers could have a material adverse effect on the Corporation.

The legal recreational cannabis industry is in its early stages of development and it is likely that the Corporation, and its competitors, will seek to offer new products in the future. In attempting to keep pace with any new market developments, the Corporation may need to spend significant amounts of capital in order to successfully generate revenues from new products it offers. Additionally, the Corporation may be required to obtain additional regulatory approvals from Health Canada and any other applicable regulatory authorities, which may take significant amounts of time and cost. The Corporation may not be successful in offering effective and safe new products, anticipating shifts in social trends and consumer demands, or obtaining any required regulatory approvals, which, together with any expenditures made in the course of such product introductions and regulatory approval processes, may have a material adverse effect on the Corporation's business and results of operations.

In addition, the patterns of cannabis consumption in Canada and elsewhere in the world may shift over time due to a variety of factors, including changes in demographics, social trends, public health policies and other leisure or consumption behaviors. If consumer preferences for the Corporation's products or cannabis products in general do not develop, or if once developed, they were to move away from the Corporation's products or cannabis products in general, or if the Corporation is unable to anticipate and respond effectively to shifts in consumer behaviors, it may be adversely affected.

*Decreases in the value of the Corporation's assets could lead to impairments in the future.*

Potential impairment of intangible assets may significantly impact the Corporation's profitability. Intangible assets are tested for impairment annually or whenever events or changes in circumstances indicate the carrying amount of an asset exceeds its recoverable amount. If an impairment exists, the Corporation would be required to take an impairment charge with respect to the impaired asset. Events giving rise to impairment are difficult to predict and are an inherent risk. As a result of the significance of intangible assets, should such an impairment of intangible assets occur, it could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

*Trade of cannabis for recreational purposes within Canada may be restricted by the Canadian Free Trade Agreement.*

The Corporation has entered into supply agreements or arrangements with the provinces of Ontario, British Columbia, Alberta, Saskatchewan and Manitoba for the supply of recreational cannabis and cannabis products. The Canadian Free Trade Agreement, which generally reduces or eliminates the barriers to the free movement of persons, goods, services, and investments within Canada, specifically excludes cannabis for recreational purposes from its scope and instead leaves the intra-Canadian movement of recreational cannabis to future negotiations among the provinces and territories. There is a risk that the outcome of the negotiations will result in the interprovincial and interterritorial trade of cannabis for recreational purposes in Canada being entirely restricted or subject to conditions that will negatively impact the Corporation's ability to sell cannabis in provinces and territories in which it does not have cultivation and production facilities, including those in which the Corporation has already executed agreements or been approved to supply cannabis to retailers.

*Credit risk.*

Credit risk is the risk that the counterparty to a financial instrument fails to meet its contractual obligations, resulting in a financial loss to the Corporation. The Corporation has credit risk exposure based on the balance of its cash, trade

and other receivables and loans receivable. There are no assurances that the Corporation's counterparties or customers will meet their contractual obligations to it.

*Security clearance of individuals occupying a "key position" in the Corporation.*

Certain people associated with cannabis licensees, including individuals occupying a "key position" such as directors, officers, large shareholders and other individuals identified by the Minister of Border Security and Organized Crime Reduction (the "**Minister**"), must hold a valid security clearance issued by the Minister. Under the Cannabis Regulations, the Minister may refuse to grant security clearance under certain circumstances, or may revoke such security clearance should certain circumstances arise. Federal cannabis licence holders were experiencing delays in Health Canada security clearances and any similar delays under the Cannabis Regulations could have an adverse effect on the Corporation's business and results of operations. There is no assurance that any of the individuals occupying a "key position", or other individuals who are presently required, or may in the future be required, to obtain, maintain or renew a security clearance in Canada will be able to do so. A failure by an individual to obtain, maintain or renew his or her security clearance in Canada would result in a material adverse effect on the Corporation's business, prospects, financial condition and results of operations. In addition, if such an individual with security clearance leaves and the Corporation is unable to find a suitable replacement that has a security clearance in a timely manner, or at all, there could occur a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

*Third parties with whom the Corporation does business may perceive themselves as being exposed to reputational risk as a result of their relationship with the Corporation and may, as a result, refuse to do business with the Corporation.*

The parties with whom the Corporation does business, or would like to do business with, may perceive that they are exposed to reputational risk as a result of the Corporation's business activities relating to cannabis, which could hinder the Corporation's ability to establish or maintain business relationships. These perceptions relating to the cannabis industry may interfere with the Corporation's relationship with service providers in Canada and other countries, particularly in the financial services industry.

*Management of growth in respect of staff resources.*

As the Corporation grows, the Corporation will also be required to hire, train, supervise and manage new employees. The Corporation may experience a period of significant growth in the number of personnel that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. The Corporation's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations. Failure to effectively manage any future growth could have a material adverse effect on the Corporation's business, financial condition or results of operations.

The ability of the Corporation to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour. No assurances can be given that the Corporation will be successful in maintaining its required supply of skilled labour. Qualified individuals are in high demand, and the Corporation may incur significant costs to attract and retain them. It is also possible that the final costs of major materials, including packaging materials, contemplated by the Corporation's expenditure plans may be significantly greater than anticipated by management, and may be greater than funds available to the Corporation, in which circumstance the Corporation may have to curtail, or extend the timeframes for completing, its expenditure plans. This could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

*Internal controls over financial reporting.*

Effective internal controls are necessary for the Corporation to provide reliable financial reports and to help prevent fraud. Although the Corporation will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Corporation

under Canadian securities law, the Corporation cannot be certain that such measures will ensure that the Corporation will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Corporation's results of operations or cause it to fail to meet its reporting obligations. If the Corporation or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Corporation's consolidated financial statements and materially adversely affect the trading price of the Common Shares. In addition, as a TSXV issuer, the Corporation is not required to establish and maintain disclosure controls and protocols and internal controls over financial reporting which may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided by the Corporation under applicable securities legislation.

*Difficulty to forecast sales and other business metrics.*

The Corporation 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 cannabis industry. If the Corporation underestimates the demand for its products, it may not be able to offer products to meet the demand, and this could result in delays in obtaining products from suppliers, the shipment of products, as well as damage to reputation and partner relationships. If the Corporation overestimates the demand for its products, it could face inventory levels in excess of demand, which could result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which would harm the Corporation's gross margins and brand management efforts.

Due to the new nature of the recreational market, it is difficult for the Corporation to forecast demand. In particular, it is difficult to forecast the rate of the illicit cannabis market crossing over to the legal recreational market. If the recreational market does not develop as the Corporation expects, it could have a material adverse effect on its business, results of operations and financial condition.

In addition to inherent risks and difficulties forecasting sales, anticipated costs and yields are also challenging to predict with certainty as the cannabis industry is in its relative infancy and rapidly evolving. If the Corporation makes capital investments based on flawed sales and costs forecasts, the Corporation may not achieve its expected, or any, return on invested capital. Failure to realize forecasted sales and costs could have a material adverse effect on the Corporation's business, results of operations and financial condition.

*The Corporation may become a party to litigation.*

The Corporation may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Corporation becomes involved be determined against the Corporation such a decision could adversely affect the Corporation's ability to continue operating and the market price for the Common Shares and could use significant resources and demand significant time and attention by management. Even if the Corporation is involved in litigation and wins, litigation can redirect significant resources.

*The Corporation may become involved in regulatory or agency proceedings, investigations and audits.*

Health Canada inspectors routinely assess the Corporation for compliance with applicable regulatory requirements. The Corporation's facilities in Canada will be inspected by Health Canada and will be subject to certain ongoing inspections and audits. Furthermore, the import of the Corporation's products into other jurisdictions is subject to the regulatory requirements of the respective jurisdiction. Any failure by the Corporation to comply with the applicable regulatory requirements could: (i) require extensive changes to the Corporation's operations; (ii) result in regulatory or agency proceedings or investigations, increased compliance costs, damage awards, civil or criminal fines or penalties or restrictions on the Corporation's operations; and/or (iii) harm the Corporation's reputation or give rise to material liabilities or a revocation of the Corporation's licences and other permits. There can be no assurance that any pending or future regulatory or agency proceedings, investigations or audits will not result in substantial costs, a diversion of management's attention and resources or other adverse consequences to the Corporation and its business.

***The Corporation's operations in foreign countries may be subject to a higher degree of political, social, regulatory and economic risk.***

A number of risks are inherent in international operations, including risks associated with: (i) foreign currency fluctuations and devaluations; (ii) political, social, security and economic instability in foreign countries; (iii) changes in and compliance with local laws and regulations, some of which may be arbitrary, or uncertainty regarding the interpretation and/or application of applicable laws, including export and import control laws, sanctions regulations, tax laws, labour laws, employee benefits, currency restrictions and other requirements; (iv) differences in tax regimes and potentially adverse tax consequences of operating in foreign countries or unfavourable or arbitrary tax enforcement; (v) customizing products for foreign countries; (vi) legal uncertainties regarding enforcement of laws and judgments, liability, export and import restrictions, tariffs and other trade barriers; (vii) changes in governmental regulations regarding currency or price controls, profit repatriation, labour, or health and safety matters; (viii) hiring qualified foreign employees; (ix) difficulty in converting currency, exporting currency out of the foreign jurisdiction and repatriating profits; (x) increased risk relating to claims of corruption, and bribery, civil unrest and economic uncertainty; (xi) increased risks relating to title to assets, potential expropriation or nationalization of assets and access to assets; and (xii) difficulty in accounts receivable collection and longer collection periods. Accordingly, as the Corporation expands its operations internationally, its exposure to risks involved with operating in foreign countries will increase, which could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

***The Corporation's expansion efforts may not be successful.***

There is no guarantee that the Corporation's expansion strategy will be successful. Such activities will require, among other things, various regulatory approvals, licences and permits and there is no guarantee that all required approvals, licences and permits will be obtained in a timely fashion or at all. There is also no guarantee that the Corporation will be able to complete any of the foregoing activities as anticipated or at all. The Corporation's failure to successfully execute its expansion strategy (including receiving required regulatory approvals, licences and permits) could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

The Corporation's expansion into any jurisdictions outside of Canada is subject to additional business risks, including new or unexpected risks, or could significantly increase the Corporation's exposure to one or more existing risk factors, including economic instability, changes in laws and regulations, and the effects of competition. In addition, international expansion could subject the Corporation's business to certain risks relating to fluctuating exchange rates or require a number of up-front expenses, including those associated with obtaining regulatory approvals, as well as additional ongoing expenses, including those associated with infrastructure, staff and regulatory compliance. These factors may limit the Corporation's ability to successfully expand its operations into such jurisdictions and may have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

***Fluctuations in foreign currency exchange rates could harm the Corporation's results of operations.***

The Corporation may be exposed to fluctuations of the Canadian dollar against certain other currencies because it publishes its financial statements in Canadian dollars, while a portion of its assets, liabilities, revenues and costs are, or will be, denominated in other currencies, including the U.S. dollar, Australian dollar, Swedish krona and the Euro. Exchange rates for currencies of the countries in which the Corporation intends to operate in the future may fluctuate in relation to the Canadian dollar, and such fluctuations may have a material adverse effect on the Corporation's earnings or assets when translating foreign currency into Canadian dollars.

***Reliance on International Advisors and Consultants.***

The Corporation relies on international advisors and consultants. The legal and regulatory requirements in the foreign countries in which the Corporation operates with respect to the sale of cannabis, banking system and controls, as well as local business culture and practices are different from those in Canada. The officers and directors of the Corporation must rely, to a great extent, on the Corporation's local management team and employees as well as legal counsel and local consultants retained by the Corporation in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Corporation's business operations, and to assist the Corporation with its governmental relations. The Corporation also relies on the advice of local experts and professionals in connection

with current and new regulations that develop in respect of the processing and sale of cannabis as well as in respect of banking, financing, labour, litigation and tax matters in these jurisdictions. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the control of the Corporation. The impact of any such changes could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

*The Corporation's business may be subject to a variety of U.S. and foreign laws, many of which are unsettled and still developing and which could subject the Corporation to claims or otherwise harm its business.*

In the United States, despite cannabis having been legalized at the state level for medical use in many states and for recreational use in a number of states, cannabis and cannabis products, other than hemp-derived CBD under certain circumstances, continue to be categorized as a Schedule I controlled substance under the *Controlled Substances Act* (the "CSA"), and are subject to the *Controlled Substances Import and Export Act*, as amended (the "CSIEA"). The Corporation believes that it is not subject to the CSA or CSIEA, because it has no active business operations in the United States and does not distribute any products in the United States. Nonetheless, it is, or may become, subject to various other U.S. federal laws and regulations, including in connection with any offering of Securities under this Prospectus and violations of any U.S. federal laws or regulations, including the CSA and CSIEA, whether intentionally or inadvertently, could result in significant fines, penalties, administrative sanctions, convictions or settlements, arising from civil proceedings initiated by either the U.S. federal government or private citizens or criminal charges, including disgorgement of profits, cessation of business activities or divestitures. Further, the status of cannabis as a Schedule I controlled substance may cause the Corporation and its business to be negatively perceived by prospective U.S. investors or other parties, who may incorrectly believe that the CSA or CSIEA applies to the Corporation, or who may have reputational or other concerns about dealings with a cannabis producer even if it is not conducting business in, or distributing any products in, the United States.

The Corporation also is, or expects to become, subject to a variety of laws and regulations in Canada, Australia, the European Union and elsewhere that prohibit money laundering, including the *Proceeds of Crime and Terrorist Financing Act* (Canada), *Directive (EU) 2015/849* and the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by governmental authorities in Canada, Australia, the European Union, or any other jurisdiction in which the Corporation has or is developing business operations or to which the Corporation exports. Although the Corporation believes that none of its activities implicate any applicable money laundering statutes, in the event that any of its business activities, any dividends or distributions therefrom, or any profits or revenue accruing thereby are found to be proceeds of crime under one or more of the statutes described above or any other applicable legislation, any persons, including investors, found to be aiding and abetting the Corporation in such violations could be subject to criminal or civil liability. Any violations of these laws, or allegations of such violations, could disrupt the Corporation's operations, significantly distract management and involve significant costs and expenses, including legal fees. The Corporation could also suffer severe penalties, including criminal and civil penalties, disgorgement and other remedial measures.

*The Corporation may be responsible for corruption and anti-bribery law violations.*

The Corporation's business is subject to Canadian laws which generally prohibit companies and employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. In addition, the Corporation is subject to the anti-bribery laws of any other countries in which it conducts business now or in the future. The Corporation's employees or other agents may, without its knowledge and despite its efforts, engage in prohibited conduct under the Corporation's policies and procedures and anti-bribery laws for which the Corporation may be held responsible. The Corporation's policies mandate compliance with these anti-corruption and anti-bribery laws. However, there can be no assurance that the Corporation's internal control policies and procedures will always protect it from recklessness, fraudulent behaviour, dishonesty or other inappropriate acts committed by its affiliates, employees, contractors or agents. If the Corporation's employees or other agents are found to have engaged in such practices, the Corporation could suffer severe penalties and other consequences that may have a material adverse effect on its business, prospects, financial condition and results of operations.

*Additional risk factors relating to a specific offering of Securities will be described in the applicable Prospectus Supplement. Some of the factors described herein, in the documents incorporated or deemed incorporated by reference herein, and/or the applicable Prospectus Supplement are interrelated and, consequently, investors should treat such*

*risk factors as a whole. If any of the adverse effects set out in the risk factors described herein, in the AIF, in another document incorporated or deemed incorporated by reference herein or in the applicable Prospectus Supplement occur, it could have a material adverse effect on the business, prospects, financial condition and results of operations of the Corporation. Additional risks and uncertainties of which the Corporation currently is unaware or that are unknown or that it currently deems to be immaterial could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations. The Corporation cannot assure you that it will successfully address any or all of these risks. There is no assurance that any risk management steps taken will avoid future loss due to the occurrence of the adverse effects set out in the risk factors herein, in the AIF, in the other documents incorporated or deemed incorporated by reference herein or in the applicable Prospectus Supplement or other unforeseen risks.*

#### **LEGAL MATTERS AND INTEREST OF EXPERTS**

Certain legal matters relating to an offering and sale of Securities will be passed upon on behalf of the Corporation by Ricketts Harris LLP with respect to matters of Canadian law. In addition, certain legal matters in connection with an offering and sale of Securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of such offering and sale by such underwriters, dealers or agents with respect to matters of Canadian and, if applicable, United States or other foreign law.

As at the date hereof, the partners and associates of Ricketts Harris LLP, as a group, own less than 1% of the outstanding securities of the Corporation.

#### **AUDITORS, TRANSFER AGENT AND REGISTRAR**

Baker Tilly WM LLP is the auditor of the Corporation and has confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia.

#### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

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

Original purchasers of Securities which are convertible, exchangeable or exercisable for other securities of the Corporation, including Warrants and Subscription Receipts if offered separately, will have a contractual right of rescission against the Corporation following the conversion, exchange or exercise of such Securities. This contractual right of rescission will entitle such original purchasers to receive the amount paid for such convertible, exchangeable or exercisable Securities, including any additional amount paid upon conversion, exchange or exercise thereof, upon surrender of the underlying securities gained thereby, in the event that this Prospectus, the relevant Prospectus Supplement or an amendment thereto contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement. This contractual right of

rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 the *Securities Act* (Ontario) or otherwise at law.

In an offering of convertible securities, original purchasers are further advised that in certain provinces the statutory right of action for damages in connection with a Prospectus misrepresentation is limited to the amount paid for the securities that were purchased under a prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the province or territory in which the purchaser resides for the particulars of these rights, or consult with a legal advisor.

**CERTIFICATE OF THE CORPORATION**

Dated: September 16, 2020

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada except Québec.

(Signed) "*Meni Morim*"  
Chief Executive Officer

(Signed) "*Annie Holmes*"  
Chief Financial Officer

On behalf of the Board of Directors

(Signed) "*Laurens Feenstra*"  
Director

(Signed) "*Branden Spikes*"  
Director