

HARVEST ONE CANNABIS INC.
SHORT FORM PROSPECTUS OFFERING OF CONVERTIBLE DEBENTURES UNITS
TERM SHEET

The following is a summary of the basic terms and conditions of a proposed offering of convertible debenture units by Harvest One Cannabis Inc. A preliminary short form prospectus containing important information relating to the securities described in this document has not yet been filed with the securities regulatory authorities in each of provinces of Canada other than Québec. Copies of the preliminary short form prospectus may be obtained from Mackie Research Capital Corporation. A copy of the preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the securities.

There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

Issuer:	Harvest One Cannabis Inc. (" Harvest One " or, the " Company ").
Offered Securities:	Bought deal short-form prospectus offering (the " Offering ") of convertible unsecured debenture units (the " Debenture Units ").
Amount:	\$17,500,000.
Offering Price:	\$1,000 per Debenture Unit.
Convertible Debenture Unit:	Each Debenture Unit shall consist of one \$1,000 principal amount, 8.0% unsecured convertible unsecured debenture (each a " Convertible Debenture ") of the Company and 458 common share purchase warrants of the Company (each a " Warrant ").
Maturity:	Five years from the date the Debenture Units are issued.
Interest:	The Convertible Debentures shall bear interest at a rate of 8.0% per annum from the date of issue, payable semi-annually in arrears on the last day of June and December in each year, commencing June 30, 2018. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The June 30, 2018 interest payment will represent accrued interest for the period from the Closing Date (as hereinafter defined) to June 30, 2018.
Payment of Principal:	The Convertible Debentures will be repaid in cash at maturity.
Prepayment:	The Convertible Debentures may be prepaid (including all principal amounts and accrued interest thereunder) at any time on a date that is 24 months following the date of issuance on not greater than 60 days' and not less than 30 days' notice, provided that the daily volume weighted average trading price of the common shares in the capital of the Company (" Common Shares ") on the TSX Venture Exchange (" TSXV ") is not less than \$1.40 for the 30 consecutive trading days preceding the date on which the notice is given, and the Company elects to prepay the then outstanding aggregate amount of Convertible Debentures outstanding.

Over-Allotment Option: Up to 15% of the number of Debenture Units issued pursuant to the Offering to cover any over-allotments and for market stabilization purposes, exercisable at any time up to 30 days after the closing of the Offering.

Conversion Privilege: The principal amount of each Convertible Debenture (the "**Principal Amount**") shall be convertible, for no additional consideration, into Common Shares of the Company ("**Common Share**") at the option of the holder at any time prior to the earlier of: (i) the close of business on the Maturity Date, and (ii) the business day immediately preceding the date specified by the Company for redemption of the Convertible Debentures upon a Change of Control (as further described herein) at a conversion price equal to \$0.84 (the "**Conversion Price**").

Mandatory Conversion: The Company may force the conversion of the principal amount of the then outstanding Convertible Debentures at the Conversion Price on not more than 60 days' and not less than 30 days' notice should the daily volume weighted average trading price of the Common Shares be greater than \$1.40 for the consecutive 30 trading days preceding the notice.

Change of Control: Upon a Change of Control (as hereinafter defined) of the Company, holders of the Convertible Debentures will have the right to require the Company to repurchase their Convertible Debentures, in whole or in part, on the date that is 30 days following the giving of notice of the Change of Control, at a price equal to 104% of the principal amount of the Convertible Debentures then outstanding plus accrued and unpaid interest thereon (the "**Offer Price**"). If 90% or more of the principal amount of the Convertible Debentures outstanding on the date of the notice of the Change of Control have been tendered for redemption, the Company will have the right to redeem all of the remaining Convertible Debentures at the Offer Price.

For the purposes hereof, a "Change of Control" means: (i) any event as a result of or following which any person, or group of persons "acting jointly or in concert" within the meaning of applicable Canadian securities laws, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Common Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Company. A Change of Control will not include a sale, merger, reorganization or other similar transaction if the previous holders of the Common Shares hold at least 50% of the voting shares of such merged, reorganized or other continuing entity.

Anti-Dilution Adjustments: The Conversion Price will be subject to adjustment in certain events including, without limitation, the subdivision or consolidation of the outstanding Common Shares, the issue of Common Shares or securities convertible into Common Shares by way of stock dividend or distribution, the issue of rights, options or warrants to all or substantially all of the holders of Common Shares in certain circumstances, and the distribution to all or substantially all of the holders of Common Shares of any other class of shares, rights, options or warrants, evidences of indebtedness or assets.

- Warrants:** Each Warrant entitles the holder thereof to acquire one Common Share (a "**Warrant Share**") for an exercise price equal to \$1.09 (the "**Exercise Price**") at any time up to 36 months following the Closing Date (subject to adjustment in certain customary events). Provided that if, at any time prior to the expiry date of the Warrants, the closing price of the Common Shares on the TSXV equals or \$1.64 for 10 consecutive trading days, the Company may, within 15 days of the occurrence of such event, deliver a notice to the holders of Warrants accelerating the expiry date of the Warrants to the date that is 30 days following the date of such notice (the "**Accelerated Exercise Period**"). Any unexercised Warrants shall automatically expire at the end of the Accelerated Exercise Period.
- Offering Basis:** The Debenture Units are to be issued on a "bought deal" basis by way of short form prospectus to be filed in all provinces of Canada other than Québec, and in the United States in accordance with applicable securities laws.
- Listing:** The Company will use commercial reasonable efforts to obtain the necessary approvals to list the securities issued pursuant to the Offering on the TSXV, including the Warrant Shares issuable on the exercise of Warrants, on the date of the issuance of the Convertible Debenture and Warrants.
- Eligibility:** The Debenture Units shall be eligible for RRSPs, RRIFs, RDSPs, RESPs, TFSA and DPSPs.
- Use of Proceeds:** For working capital requirements and other general corporate purposes.
- Commission:** Cash commission of 6.0% of the gross proceeds raised in respect of the Offering (including the Over-Allotment Option) plus the Underwriters will receive such number of Debenture Units (the "**Compensation Units**") as is equal to 3.0% of the number of Debenture Units issued pursuant to the Offering, including the amount subscribed for pursuant to the exercise of the Over-allotment Option. Each Compensation Unit shall have substantially the same terms as the terms of the Debenture Units issued pursuant to the Offering.
- Underwriters:** Mackie Research Capital Corporation, Haywood Securities Inc., and Eight Capital Corporation.
- Closing Date:** The week of December 11, 2017 or such other date as the Underwriters and the Company may agree upon (the "**Closing Date**").