

A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, other than Quebec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the securities regulatory authorities.

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, other than Quebec, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this 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.

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. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws. Accordingly, these securities may not be offered or sold within the United States or to a U.S. Person (as such terms are defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. This short form base shelf prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States of America. See "Plan of Distribution".

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Cannabis Wheaton Income Corp. at 1055 West Hastings Street, Suite 2200, Vancouver, BC, V6E 2E9 telephone, (647) 812-0121, and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue

December 19, 2017



Wheaton

INCOME

CANNABIS WHEATON INCOME CORP.

\$60,000,000

COMMON SHARES

PREFERRED SHARES

DEBT SECURITIES

SUBSCRIPTION RECEIPTS

WARRANTS

UNITS

Cannabis Wheaton Income Corp. (d/b/a Wheaton Income) (the "**Corporation**" or "**Cannabis Wheaton**") may from time to time offer and issue the following securities: (i) common shares ("**Common Shares**"); (ii) preferred shares of any series ("**Preferred Shares**"); (iii) senior or subordinated secured or unsecured debt securities (collectively, "**Debt Securities**"), including debt securities convertible or exchangeable into other securities of the Corporation; (iv) subscription receipts ("**Subscription Receipts**"); (v) warrants ("**Warrants**"); and (vi) units comprised of one or more of the other securities described in this Prospectus ("**Units**", and together with the Common Shares, Preferred Shares, Debt Securities, Subscription Receipts and Warrants, the "**Securities**"), having an aggregate offering price of up to \$60,000,000, during the 25 month period that this short form base shelf prospectus (the "**Prospectus**"), including any amendments hereto, remains valid. Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying prospectus supplement (a "**Prospectus Supplement**").

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

The specific variable terms of any offering of Securities will be set out in the applicable Prospectus Supplement including, where applicable: (i) in the case of Common Shares, the persons(s) offering the Common Shares, the number of Common Shares offered

and the offering price (or the manner of determination thereof if offered on a non-fixed price basis); (ii) in the case of the Preferred Shares, the designation of the particular series, aggregate principal amount, the number of Preferred Shares offered, the issue price, the dividend rate, the dividend payment dates, any terms for redemption at the option of the Corporation or the holder, any exchange or conversion terms and any other specific terms; (iii) in the case of the Debt Securities, the specific designation of the Debt Securities, whether such Debt Securities are senior or subordinated, the aggregate principal amount of the Debt Securities being offered, the currency or currency unit in which the Debt Securities may be purchased, authorized denominations, any limit on the aggregate principal amount of the Debt Securities of the series being offered, the issue and delivery date, the maturity date, the offering price (at par, at a discount or at a premium), the interest rate or method of determining the interest rate, the interest payment date(s), any conversion or exchange rights that are attached to the Debt Securities, any redemption provisions, any repayment provisions and any other specific terms; (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), the procedures for the exchange of Subscription Receipts for Common Shares, Debt Securities or other Securities, as the case may be, the currency or currency unit in which the Subscription Receipts are issued and any other specific terms; (v) in the case of Warrants, the designation, number and terms of the Common Shares, Debt Securities or other Securities purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of those numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; and (vi) in the case of Units, the designation and terms of the Units and of the Securities comprising the Units, the currency or currency unit in which the Units are issued and any other specific terms. A Prospectus Supplement may include other specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The Corporation may sell the Securities to or through underwriters or dealers purchasing as principals and may also sell the Securities to one or more purchasers directly subject to obtaining any required exemptive relief or through agents. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, if any, engaged by the Corporation in connection with the offering and sale of Securities and will set forth the terms of the offering of such Securities, the method of distribution of such Securities including, to the extent applicable, the proceeds to us, and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution. Securities may be sold from time to time in one or more transactions at a fixed price or fixed prices, or at non-fixed prices. If offered on a non-fixed price basis, Securities may be offered at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers at the time of sale, which prices may vary between purchasers and during the period of distribution. If Securities are offered on a non-fixed price basis, the underwriters', dealers' or agents' compensation will be increased or decreased by the amount by which the aggregate price paid for Securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriters, dealers or agents to us. See "*Plan of Distribution*".

The outstanding Common Shares are listed on the TSX Venture Exchange (the "**TSX-V**") under the symbol "CBW" and are also listed on the US OTC QB exchange ("**OTCQB**") under the symbol "CBWTF". **There is currently no market through which the Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units may be sold and purchasers may not be able to resell any Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units purchased under this Prospectus. 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" below and the "Risk Factors" section of the applicable Prospectus Supplement.**

Subject to applicable laws, in connection with any offering of Securities, the underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities at levels other than those which may prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See "*Plan of Distribution*".

The Corporation's head and registered offices are located at 1055 West Hastings Street, Suite 2200, Vancouver, BC, V6E 2E9.

The Securities are subject to certain risks. The risk factors included or incorporated by reference in this Prospectus should be carefully reviewed and considered by holders in connection with an acquisition of Securities. See "*Notice to Investors – Forward-Looking Information*" and "*Risk Factors*" in this Prospectus and in the AIF (as defined herein).

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NOTICE TO READERS

About this Short Form Base Shelf Prospectus

Readers should rely only on the information contained in this Prospectus (including the documents incorporated by reference or in any applicable Prospectus Supplement) and should not rely on some parts of the Prospectus to the exclusion of others. The Corporation has not authorized any person to provide holders of the Securities with additional or different information. Readers should take caution if anyone provides holders of the Securities with additional, different or inconsistent information, including information or statements in media articles about the Corporation. We are not making an offer to sell or seeking an offer to buy the Securities offered pursuant to this Prospectus in any jurisdiction where the offer or sale is not permitted. The information contained in this Prospectus or any Prospectus Supplement is accurate only as of the date of such document, regardless of the time of delivery of this Prospectus or any Prospectus Supplement. Readers are urged to consult their own professional advisors in connection therewith.

In this Prospectus and in any Prospectus Supplement, unless the context otherwise requires, references to "we", "us", "our" or similar terms, as well as references to "Cannabis Wheaton" or the "Corporation", refer to Cannabis Wheaton Income Corp. together with our subsidiaries, Knightswood Holdings Ltd. ("**KW Holdings**") and KoLab Project Inc. (formerly RockGarden Medicinals (2014) Inc.) ("**RockGarden**" or "**KoLab Project**", as applicable).

Forward-Looking Information

This Prospectus and the documents incorporated by reference herein contain certain statements which contain "forward-looking information" within the meaning of Canadian securities legislation (each a "**forward-looking statement**"). No assurance can be given that the expectations in any forward-looking statement will prove to be correct and, as such, the forward-looking statements included in this Prospectus or any Prospectus Supplement should not be unduly relied upon. Forward-looking information is by its nature prospective and requires the Corporation to make certain assumptions and is subject to inherent risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential", "capable", "budget", "*pro forma*" and similar expressions are intended to identify forward-looking statements. Forward-looking statements include, among others, statements pertaining to:

- the Corporation's broad discretion to use the net proceeds from the offerings of the Securities;
- the dependence of the Corporation's cash flow and financial performance on third parties;
- the price of medical cannabis;
- the lack of control over operations of the Corporation's streaming partners;
- the fluctuations in the price of the Securities and the market for the Securities;
- the Corporation's ongoing investment strategy;
- the ability of the Corporation's streaming partners to produce medical cannabis;
- the successful buildout of the current and proposed facilities of each of the Corporation's streaming partners;
- changes in laws, regulations and guidelines;
- licensing risk;
- regulatory risk;
- future liquidity and financial position;
- the Corporation's expectations with respect to future growth;

- the listing of certain Securities on the TSX-V;
- the ability of the Corporation to generate cash flow; and
- the Corporation's competitive position.

The forward-looking statements in this Prospectus are based on information currently available and what management believes are reasonable assumptions. Forward-looking statements speak only to such assumptions as of the date of this Prospectus. In addition, this Prospectus may contain forward-looking statements attributed to third party industry sources, the accuracy of which has not been verified by the Corporation. The purpose of forward-looking information is to provide the reader with a description of management's expectations, and such forward-looking information may not be appropriate for any other purpose. Readers should not place undue reliance on forward-looking information contained in this Prospectus or in any Prospectus Supplement. The Corporation undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. A number of factors could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking statements in this Prospectus or in any Prospectus Supplement including, but not limited to, whether:

- current and future management will abide by the investment objectives and investment strategies of the Corporation;
- the Corporation will supplement its board of directors and management, or otherwise engage consultants and advisors, having knowledge of the industries in which the Corporation invests;
- streaming partners will be able to generate cash flow;
- general economic, financial market, regulatory and political conditions in which the Corporation operates will remain the same;
- the Corporation will be able to compete in the industry;
- the Corporation will be able to manage anticipated and unanticipated costs;
- the Corporation will be able to enter into additional streaming agreements;
- the Corporation will be able to maintain internal controls over financial reporting and disclosure, controls and procedures;
- patient services partners will continue to obtain approvals and permits necessary to operate their respective businesses in the ordinary course;
- streaming partners will be able to meet the requirements necessary to obtain and / or maintain their status as LPs (as defined herein); and
- streaming partners will be able to successfully complete initial construction and / or expansion construction of their respective facilities pursuant to the terms and conditions of their respective streaming agreements.

Such factors are discussed in more detail under the heading "*Risk Factors*" in this Prospectus and in the AIF (as defined herein). New factors emerge from time to time, and it is not possible for management to predict all of those factors or to assess in advance the impact of each such factor on the Corporation's business 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.

The forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements and are made as of the date of this Prospectus. Except as may be required by applicable securities laws, the Corporation does not undertake any obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date of this Prospectus or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or

otherwise. Holders of the Securities should read this entire Prospectus, and each applicable Prospectus Supplement, and consult their own professional advisors to ascertain and assess the income tax and legal risks and other aspects associated with holding Securities.

CURRENCY PRESENTATION AND FINANCIAL INFORMATION

Unless otherwise indicated, all references to monetary amounts in Prospectus are denominated in Canadian dollars. The financial statements of the Corporation incorporated herein by reference are reported in Canadian dollars and are prepared in accordance with International Financial Reporting Standards.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed by the Corporation with Securities Commissions or similar authorities in Canada are available under the Corporation's profile on SEDAR at www.sedar.com and are specifically incorporated by reference into this Prospectus:

- (a) the revised annual information form of the Corporation for the financial year ended December 31, 2016 dated May 23, 2017 (the "**AIF**");
- (b) the audited consolidated financial statements of the Corporation as at and for the financial year ended December 31, 2016, together with the notes thereto and the report of independent auditors thereon (the "**Annual Financial Statements**");
- (c) management's discussion and analysis of the Corporation relating to the Annual Financial Statements (the "**Annual MD&A**");
- (d) the unaudited interim financial statements of the Corporation as at and for the three and nine month periods ended September 30, 2017, together with the notes thereto (the "**Interim Financial Statements**");
- (e) management's discussion and analysis of the Corporation relating to the Interim Financial Statements (the "**Interim MD&A**");
- (f) the management information circular of the Corporation dated November 28, 2016 distributed in connection with a special meeting of shareholders of the Corporation held on January 6, 2017;
- (g) the management information circular of the Corporation dated August 10, 2017 distributed in connection with an annual and special meeting of shareholders of the Corporation held on September 8, 2017;
- (h) the material change report of the Corporation dated January 25, 2017 in respect of the issuance of 60,927,546 special common share purchase warrants (the "**January Special Warrants**");
- (i) the material change report of the Corporation dated February 27, 2017 in respect of the conversion of the January Special Warrants;
- (j) the material change report of the Corporation dated April 12, 2017 in respect of the Forward Split (as defined herein);
- (k) the material change report of the Corporation dated April 13, 2017 in respect of the first tranche distribution of 54,818,319 units of the Corporation, the conversion of the January Special Warrants, granting of incentive stock options and the second tranche distribution of 21,713,649 units;
- (l) the material change report of the Corporation dated April 20, 2017 in respect of the Corporation's transaction with 2557788 Ontario Ltd.;
- (m) the material change report of the Corporation dated April 27, 2017 in respect of the announcement of the Corporation's transaction with PanCann Streaming Corp.;
- (n) the material change report of the Corporation dated May 3, 2017 in respect of the closing of the Corporation's transaction with PanCann Streaming Corp.;

- (o) the material change report of the Corporation dated May 5, 2017 in respect of the Corporation's name change from "Knightswood Financial Corp." to "Cannabis Wheaton Income Corp.";
- (p) the material change report of the Corporation dated May 10, 2017 in respect of the resignation of Maurice Levesque and Stephen McCoach, the addition of new management and advisors and the adoption of the Corporation's new rolling 10% incentive stock option plan;
- (q) the material change report of the Corporation dated July 10, 2017 in respect of the closing of the June Offering (as defined herein);
- (r) the material change report of the Corporation dated September 19, 2017 in respect of the November Offering (as defined herein);
- (s) the material change report of the Corporation dated October 16, 2017 in respect of the announcement of the Corporation's transaction with Beleave Inc.; and
- (t) the material change report of the Corporation dated November 10, 2017 in respect of the acquisition of all of the issued and outstanding shares of KoLab Project (formerly RockGarden).

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* ("**NI 44-101**") to be incorporated by reference in a short form prospectus, including those types of documents referred to above and press releases issued by the Corporation specifically referencing incorporation by reference into this Prospectus, if filed by the Corporation with the provincial securities commissions or similar authorities in Canada after the date of this Prospectus and before the expiry of this Prospectus, are deemed to be incorporated by reference in this Prospectus.

A Prospectus Supplement containing the specific terms of any offering of our Securities will be delivered to purchasers of our Securities together with this Prospectus and will be deemed to be incorporated by reference in this Prospectus as of the date of the Prospectus Supplement and only for the purposes of the offering of our Securities to which that Prospectus Supplement pertains.

Documents referenced in any of the documents incorporated by reference in this Prospectus but not expressly incorporated by reference therein or herein and not otherwise required to be incorporated by reference therein or in this Prospectus are not incorporated by reference in this Prospectus.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, in any Prospectus Supplement hereto or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein, 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 is made.

When we file a new annual information form and audited consolidated financial statements and related management discussion and analysis with and, where required, they are accepted by, the applicable securities regulatory authorities during the time that this Prospectus is valid, the previous annual information form, the previous audited consolidated financial statements and related management discussion and analysis and all unaudited interim consolidated financial statements and related management discussion and analysis for such periods, all material change reports and any information circular and business acquisition report filed prior to the commencement of our financial year in which the new annual information form is filed will be deemed to no longer be incorporated by reference in this Prospectus for purposes of future offers and sales of Securities under this Prospectus. Upon new interim financial statements and the accompanying management's discussion and analysis being filed by us with the applicable securities regulatory authorities during the term of this Prospectus, all interim financial statements and accompanying management's discussion and analysis filed prior to the filing of the new interim financial statements will be deemed to no longer be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

THE CORPORATION

The Corporation is a publicly traded investment and merchant banking company focused on the cannabis sector. The Corporation's head and registered offices are located at 1055 West Hastings Street, Suite 2200, Vancouver, BC, V6E 2E9. The Corporation's telephone number is (647) 812-0121.

The Corporation was incorporated on August 24, 1987 pursuant to the British Columbia *Company Act* (as it then was called) under the name "Mystique Apparel Ltd." During the year ended August 31, 1989, the Corporation changed its name to "Liza Lanzet Lingerie Ltd.". On March 30, 1995, the Corporation changed its name to "First Venture Developments Ltd." and in December 1998, the Corporation changed its name to "Knightswood Financial Corp." On May 5, 2017, the Corporation changed its name to "Cannabis Wheaton Income Corp." and on May 8, 2017, the Corporation began trading on the TSX-V under the symbol "CBW". On November 3, 2017, the Corporation began trading on the OTCQB under the symbol CBWTF.

SUMMARY DESCRIPTION OF THE CORPORATION'S BUSINESS

Summary Description of Business

Historically, the Corporation's investments have been in private companies (the "**Investee Companies**") so as to provide those companies with the ability to issue debt instruments that are eligible for registered plans as defined in the *Income Tax Act* (Canada).

In the third quarter of 2016, the Corporation began seeking investment opportunities outside its original mandate of holding interests only in Investee Companies. The Corporation anticipated making investments which did not involve only "Investee Companies", but which would involve more conventional equity and debt investments in private and public companies in various industries, including the cannabis industry.

As of the date of this Prospectus, the Corporation has entered into several streaming agreements with various streaming partners comprised of "licensed producers" as defined pursuant to the *Access to Cannabis for Medical Purposes Regulations* ("**ACMPR**") ("**LPs**") and licensed producer applicants ("**LP applicants**") from across Canada. In addition, the Corporation has entered into patient outreach and services agreements with a number of different patient outreach and service providers. For a complete list of the Corporation's patient services partners, see "*Patient Services Partners*". The Corporation's mandate is to facilitate growth for its streaming partners by providing financial support and sharing its collective industry experience.

Corporate Structure

The Corporation has two wholly-owned subsidiaries, KW Holdings, a corporation incorporated pursuant to the *Business Corporations Act* (British Columbia) and KoLab Project (formerly RockGarden), a corporation incorporated pursuant to the *Business Corporations Act* (Ontario).

KW Holdings

KW Holdings holds direct and indirect interests in various private companies (the "**DP Companies**"). KW Holdings currently has 21 DP Companies in which it holds a direct or indirect interest. For a complete list of the DP Companies, see "*Schedule 'A' – DP Companies*" of the AIF. The Corporation entered into a business management agreement dated March 1, 2017 with each of Elcyc Holdings Ltd. (a private company controlled by Maurice Levesque, one of the Corporation's former directors) and Canterra Capital Corp. (a private company controlled by Stephen McCoach, one of the Corporation's former directors) to operate KW Holdings. This business management agreement provides Elcyc Holdings Ltd. and Canterra Capital Corp. with an option to acquire the Corporation's interest in the DP Companies from KW Holdings for a nominal purchase price until March 1, 2022.

KoLab Project (formerly RockGarden)

KoLab Project is a privately owned licensed producer of cannabis pursuant to the ACMPR. On August 25, 2017 KoLab Project was granted a cultivation license. The Corporation acquired KoLab Project pursuant to the terms of a share purchase agreement dated October 31, 2017. The acquisition furthers the Corporation's streaming platform strategy by providing the Corporation with additional resources and regulatory tools to help accelerate Wheaton Licensing Program participants' pathway to licensing under the ACMPR.

Recent Developments

On October 5, 2017, the Company registered the business name "Wheaton Income" with the British Columbia Registry Service and began doing business as Wheaton Income.

On October 5, 2017, the Corporation announced that it entered into a definitive agreement with Beleave Inc. and its wholly owned subsidiary, Beleave Cannabis Corp. (collectively, "**Beleave**"), to provide Beleave with up to \$10,000,000 in non-dilutive debt financing (the "**D.O.P.E. Note Financing**") by way of an instrument evidencing a debt obligation repayable in product equivalents (the "**D.O.P.E. Note**"). Under the terms of the D.O.P.E. Note, the Corporation will advance a minimum of \$5,000,000 and up to a maximum of \$10,000,000 to Beleave for a period of 24 months from the closing date, provided that, if at any time during the term of the D.O.P.E. Note, more than \$5,000,000 is advanced to Beleave, the closing date will be automatically extended for an additional 6 months. Beleave will repay the D.O.P.E. Note by paying the Corporation a portion of all gross proceeds received from the retail or wholesale sale of grams of dried, finished, saleable cannabis produced at any of its cultivation facilities. As a result, based on a \$5,000,000 principal amount, the Corporation would receive the proceeds from the sale of 1,275,125 grams of dried, finished, saleable cannabis. Until the D.O.P.E. Note is repaid in full, the proceeds from 85% of all grams of dried, finished, saleable cannabis sold by Beleave will be delivered to the Corporation as payment against the outstanding principal of the D.O.P.E. Note. If the D.O.P.E. Note is not repaid in full prior to the end of the term, any principal amount outstanding at such time will be automatically increased by 10% and the term of the D.O.P.E. Note will be extended by 6 months.

On October 16, 2017, the Corporation announced that it had entered an exclusive alliance with the corporate owner of a national chain of convenience stores (the "**Convenience Store Group**") to develop and implement cannabis distribution and retail sale opportunities at all Convenience Store Group locations.

On October 17, the Corporation announced that it had provided an initial advance of \$5,000,000 to Beleave in accordance with the terms of the D.O.P.E. Note Financing.

On November 1, 2017, the Corporation announced that it had acquired all of the issued and outstanding shares of RockGarden (the "**RockGarden Acquisition**"). On the closing of the acquisition, the Corporation issued 17,499,970 Common Shares to the former shareholders of RockGarden (the "**RockGarden Vendors**"). In addition: (i) 4,999,971 Common Shares were issued and deposited into escrow, to be released to the RockGarden Vendors upon RockGarden receiving its sales authorization under the ACMPR; and (ii) an additional 4,999,971 Common Shares were issued and deposited into escrow, to be released to the RockGarden Vendors upon certain key employees of RockGarden satisfying performance obligations.

On November 1, 2017, the Corporation completed an offering of convertible debenture units ("**CD Units**") for aggregate gross proceeds of \$35,000,000. The Corporation raised \$35,000,000 through the issuance of 35,000 CD Units to subscribers at a price of \$1,000 per CD Unit (the "**November Offering**"). Each CD Unit consists of \$1,000 principal amount of 8% senior unsecured convertible debentures (the "**Debentures**") and 833 Common Share purchase warrants (the "**CD Warrants**") of the Corporation. Each CD Warrant is exercisable to acquire one Common Share at an exercise price of \$1.20 per Common Share for a period of 24 months following the closing date of the November Offering. The Debentures were converted into 29,166,665 Common Shares on November 1, 2017. On November 3, 2017, the Corporation announced the change of the Corporation's trading symbol on the OTCQB to "CBWTF".

On November 28, 2017, the Corporation announced the settlement of \$3,064,943 of debt in consideration for the issuance of an aggregate of 3,018,109 Common Shares, which will be issued if and when the approval of the TSX Venture Exchange is received. If approval is not received, these Common Shares will not be issued.

On December 15, 2016, RockGarden changed its name to "KoLab Project Inc".

SHARE STRUCTURE

As of the date of this Prospectus, the authorized capital of the Corporation consists of an unlimited number of Common Shares without par value. As of the date of this Prospectus, 264,059,324 Common Shares are issued and outstanding.

CONSOLIDATED CAPITALIZATION

On April 7, 2017, the Corporation implemented a forward split of the Corporation's then issued and outstanding Common Shares on the basis of three post-split Common Shares for every one outstanding Common Share (the "**Forward Split**").

Other than as described in this section, there have been no material changes in the Corporation's share or loan capital on a consolidated basis since September 30, 2017, being the date of the Interim Financial Statements, which are incorporated by reference in this Prospectus.

On October 31, 2017, the Corporation completed the RockGarden Acquisition, pursuant to which the Corporation issued 27,499,912 Common Shares. See "*Recent Developments*".

On November 1, 2017, the Corporation completed the November Offering and the Debentures were converted into 29,166,665 Common Shares. See "*Recent Developments*".

Information relating to any issuances of our Common Shares within the previous 12-month period will be provided as required in a Prospectus Supplement under the heading "*Prior Sales*".

EARNINGS COVERAGE RATIOS

If we offer Debt Securities having a term to maturity in excess of one year under this Prospectus and any applicable Prospectus Supplement, the applicable Prospectus Supplement will include earnings coverage ratios giving effect to the issuance of such Securities.

USE OF PROCEEDS

Unless otherwise specified in a Prospectus Supplement, the net proceeds from the sale of the Securities are principally intended to fund the Corporation's working capital requirements and commitments under its streaming agreements, as more particularly described under the heading "*The Business – Updated Investment Strategy – Streaming Agreements*" of the AIF. The precise timing and allocation of contributions to the Corporation's streaming partners will vary based on a number of factors, including satisfactory due diligence by the Corporation, negotiation of definitive agreements, approval by the Corporation of each of the streaming partners' respective construction budgets and timelines, facility buildouts, and receipt by the streaming partners of any applicable regulatory approvals and availability of capital on the part of the Corporation. Specific information about the use of net proceeds of any offering of Securities under this Prospectus will be set forth in the applicable Prospectus Supplement.

The above-noted allocation represents the Corporation's intention with respect to its use of proceeds based on current knowledge and planning by management of the Corporation (excluding potential contingencies and any deficiencies). Actual expenditures may differ from the estimates set forth above. There may be circumstances where, for sound business reasons, a reallocation may be deemed prudent or necessary. Pending actual expenditures, the Corporation may invest the funds in short-term, investment grade, interest-bearing securities, in government securities or in bank accounts at the discretion of management. The Corporation cannot predict whether the proceeds invested will yield a favourable return. See "*Risk Factors*" in the AIF.

There is no assurance that the Corporation will complete funding of any or all of its streaming agreements. In the event that the Corporation does not fund any one or more of its streaming agreements, the proceeds allocated to such streaming agreements will be used by the Corporation to fund the reserve for investigating additional streaming agreements and other investment opportunities in accordance with its ongoing investment strategy. See "*Risk Factors*" in the AIF.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Common Shares

The holders of Common Shares are entitled to one vote per Common Share at all meetings of the shareholders of the Corporation either in person or by proxy. The holders of Common Shares are also entitled to dividends, if and when declared by the directors of the Corporation, and the distribution of the residual assets of the Corporation in the event of a liquidation, dissolution or winding up of the Corporation.

All Common Shares rank equally as to all benefits which might accrue to the holders thereof, including the right to receive dividends, voting powers, and participation in assets and in all other respects, on liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other disposition of the assets of the Corporation among its shareholders for the purpose of winding up its affairs after the Corporation has paid out its liabilities. The Common Shares are not subject to any call or assessment rights, any pre-emptive rights, any conversion or any exchange rights. The Common Shares are not subject to

any redemption, retraction, purchase for cancellation, surrender, sinking or purchase fund provisions. Additionally, the Common Shares are not subject to any provisions permitting or restricting the issuance of additional securities and any other materials restrictions or any provisions requiring a securityholder to contribute additional capital to the Corporation.

Preferred Shares

The following sets forth certain general terms and provisions of the Preferred Shares. The particular terms and provisions of a series of Preferred Shares offered pursuant to an accompanying Prospectus Supplement, 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. One or more series of Preferred Shares may be sold separately or together with Common Shares, Debt Securities, Subscription Receipts, Warrants or Units under this Prospectus, or on conversion or exchange of any such Securities.

The Corporation is not currently authorized to issue Preferred Shares. Subject first to obtaining all necessary corporate and regulatory approvals, it is proposed that the Preferred Shares will be issued from time to time in one or more series, and that the Corporation's board of directors will be authorized to fix, before the issuance thereof, the number of Preferred Shares of each series, the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of each series, including, without limitation, any voting rights, any right to receive dividends (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms and conditions of redemption or purchase, any conversion rights, and any rights on the liquidation, dissolution or winding-up of the Corporation, any sinking fund or other provisions, the whole to be subject to the issuance of a certificate of amendment setting forth the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of the series.

The Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, rank on a parity with the Preferred Shares of every other series and be entitled to preference over the Common Shares. If any amount of cumulative dividends (whether or not declared) or declared non-cumulative dividends or any amount payable on any such distribution of assets constituting a return of capital in respect of the Preferred Shares of any series is not paid in full, the Preferred Shares of such series shall participate rateably with the Preferred Shares of every other series in respect of all such dividends and amounts.

This section describes the general terms that will apply to any Preferred Shares being offered. The terms and provisions of any Preferred Shares offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. The particular terms of each issue of Preferred Shares that will be described in the related Prospectus Supplement will include, where applicable:

- (a) the offering price of the Preferred Shares;
- (b) the title and designation of number of shares of the series of Preferred Shares;
- (c) the dividend rate or method of calculation, the payment dates for dividends and the place or places where the dividends will be paid, whether dividends will be cumulative or noncumulative, and, if cumulative, the dates from which dividends will begin to accumulate;
- (d) any conversion or exchange features or rights;
- (e) whether the Preferred Shares will be subject to redemption and the redemption price and other terms and conditions relative to the redemption rights;
- (f) any liquidation rights;
- (g) any sinking fund provisions;
- (h) any voting rights;
- (i) whether the Preferred Shares will be issued in fully registered or "book-entry only" form;
- (j) any other rights, privileges, restrictions and conditions attaching to the Preferred Shares; and
- (k) any other specific terms.

Debt Securities

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of a series of Debt Securities offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in the applicable Prospectus Supplement. One or more series of Debt Securities may be sold separately or together with Common Shares, Preferred Shares, Subscription Receipts, Warrants or Units under this Prospectus, or on conversion or exchange of any such Securities.

Priority & Security

Unless otherwise indicated in an applicable Prospectus Supplement, the Debt Securities will be direct secured or unsecured obligations of the Corporation. The Debt Securities will be senior or subordinated indebtedness of the Corporation as described in the applicable Prospectus Supplement. If the Debt Securities are unsecured senior indebtedness, they will rank equally and rateably with all other unsecured indebtedness of the Corporation from time to time issued and outstanding which is not subordinated. If the Debt Securities are subordinated indebtedness, they will be subordinated to senior indebtedness of the Corporation as described in the applicable Prospectus Supplement, and they will rank equally and rateably with other subordinated indebtedness of the Corporation from time to time issued and outstanding as described in the applicable Prospectus Supplement. The Corporation reserves the right to specify in a Prospectus Supplement whether a particular series of subordinated debt securities is subordinated to any other series of subordinated debt securities.

The board of directors of Cannabis Wheaton may establish the extent and manner, if any, to which payment on or in respect of a series of Debt Securities will be senior or will be subordinated to the prior payment of our other liabilities and obligations and whether the payment of principal, premium, if any, and interest, if any, will be guaranteed by any other person and the nature and priority of any security.

Terms of the Debt Securities

In conformity with applicable laws of Canada, for all bonds and notes of companies that are publicly offered, the Debt Securities will be issued under one or more indentures between the Corporation and a trustee that will be named in the applicable Prospectus Supplement including, without limitation, in respect of Debt Securities issued in Canada, under supplemental indentures to the indenture dated June 29, 2017 between the Corporation and Computershare Trust Company of Canada as debenture trustee. There will be a separate indenture for the senior Debt Securities and the subordinated Debt Securities. An indenture is a contract between a financial institution, acting on your behalf as trustee of the Debt Securities offered, and the Corporation. The trustee has two main roles. First, subject to some limitations on the extent to which the trustee can act on your behalf, the trustee can enforce your rights against the Corporation if it defaults on its obligations under the indenture. Second, the trustee performs certain administrative duties for the Corporation. The aggregate principal amount of Debt Securities that may be issued under each indenture is unlimited. A copy of the form of each indenture to be entered into in connection with offerings of Debt Securities will be filed with the securities regulatory authorities in Canada when it is entered into. A copy of any indenture or supplement thereto entered into by the Corporation will be filed with securities regulatory authorities and will be available on our SEDAR profile at www.sedar.com.

The Corporation may issue Debt Securities bearing no interest or interest at a rate below the prevailing market rate at the time of issuance, and offer and sell these Securities at a discount below their stated principal amount. The Corporation may also sell any of the Debt Securities for a foreign currency or currency unit, and payments on the Debt Securities may be payable in a foreign currency or currency unit. In any of these cases, the Corporation will describe certain Canadian federal income tax consequences and other special considerations in the applicable Prospectus Supplement.

Selected provisions of the Debt Securities and the indenture(s) under which such Debt Securities will be issued are summarized below. This summary is not complete. The statements made in this Prospectus relating to any indenture and Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable indenture.

The indentures will not limit the amount of Debt Securities that we may issue thereunder. We may issue Debt Securities from time to time under an indenture in one or more series by entering into supplemental indentures or by our Board of Directors or a duly authorized committee authorizing the issuance. The Debt Securities of a series need not be issued at the same time, bear interest at the same rate or mature on the same date. Unless otherwise indicated in the applicable Prospectus Supplement, we may issue Debt

Securities with terms different from those of Debt Securities previously issued and, without the consent of the holders thereof, reopen a previous issue of a series of Debt Securities and issue additional Debt Securities of such series.

The Prospectus Supplement for a particular series of Debt Securities will disclose the specific terms of such Debt Securities, including the price or prices at which the Debt Securities to be offered will be issued. The terms and provisions of any Debt Securities offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. In addition, to the extent that any particular terms of the Debt Securities described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Debt Securities. Those terms may include some or all of the following:

- (a) the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- (b) the indenture under which such Debt Securities will be issued and the trustee(s) thereunder;
- (c) the currency or currency units 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);
- (d) whether such Debt Securities are senior or subordinated and, if subordinated, the applicable subordination provisions;
- (e) the percentage of the principal amount at which such Debt Securities will be issued;
- (f) the date or dates on which such Debt Securities will mature;
- (g) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any);
- (h) the dates on which any such interest will be payable and the record dates for such payments;
- (i) any redemption term or terms under which such Debt Securities may be defeased;
- (j) 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;
- (k) the place or places where principal, premium and interest will be payable;
- (l) any change in the right of the trustee or the holders to declare the principal, premium and interest with respect to such series of debt securities to be due and payable;
- (m) the securities exchange(s) on which such series of Debt Securities will be listed, if any;
- (n) any terms relating to the modification, amendment or waiver of any terms of such Debt Securities or the applicable indenture;
- (o) the designation and terms of any other Securities with which the Debt Securities will be offered, if any, and the principal amount of Debt Securities that will be offered with each Security;
- (p) governing law;
- (q) any limit upon the aggregate principal amount of the Debt Securities of such series that may be authenticated and delivered under the indenture;
- (r) if other than the Corporation or the trustee, the identity of each registrar and/or paying agent;
- (s) if the Debt Securities are issued as a Unit with another Security, the date on and after which the Debt Securities and other Security will be separately transferable;

- (t) if the Debt Securities are to be issued upon the exercise of Warrants, the time, manner and place for such Securities to be authenticated and delivered;
- (u) if the Debt Securities are to be convertible or exchangeable into other securities of the Corporation, the terms and procedures for the conversion or exchange of the Debt Securities into other securities; and
- (v) any other specific terms of the Debt Securities of such series, including any events of default or covenants.

Any convertible or exchangeable Debt Securities will be convertible or exchangeable only for other securities of the Corporation. In an offering of convertible, exchangeable or exercisable Securities, original purchasers will have a contractual right of rescission against the Corporation following the conversion, exchange or exercise of such Securities in the event that this Prospectus, the applicable Prospectus Supplement or any amendment thereto contains a misrepresentation. Additional information concerning this right of rescission is included under the heading "*Statutory Right of Rescission*".

Debt Securities, if issued in registered form, will be exchangeable for other Debt Securities of the same series and tenor, registered in the same name, for an equal 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 relevant trustee. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

Modifications

We may amend any indenture and the Debt Securities without the consent of the holders of the Debt Securities in certain circumstances including to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Debt Securities. A more detailed description of the amendment provisions will be included in the applicable Prospectus Supplement.

Subscription Receipts

Subscription Receipts may be offered separately or together with Common Shares, Preferred Shares, Debt Securities, Warrants or Units, as the case may be. Subscription Receipts will be issued under a subscription receipt agreement (a "**Subscription Receipt Agreement**") that will be entered into between us and the escrow agent (the "**Escrow Agent**") at the time of issuance of the Subscription Receipts. Each Escrow Agent will be a financial institution authorized to carry on business as a trustee. If underwriters or agents are used in the sale of any Subscription Receipts, one or more of such underwriters or agents may also be a party to the Subscription Receipt Agreement governing the Subscription Receipts sold to or through such underwriter or agent.

Terms of the Subscription Receipts

The Subscription Receipt Agreement will provide each initial purchaser of Subscription Receipts with a non-assignable contractual right of rescission following the issuance of any Common Shares, Warrants or Debt Securities, as applicable, to such purchaser upon the exchange of the Subscription Receipts if this Prospectus, the Prospectus Supplement under which the Subscription Receipts are offered, or any amendment hereto or thereto contains a misrepresentation, as such term is defined in the *Securities Act* (British Columbia). This contractual right of rescission will entitle such initial purchaser to receive the amount paid for the Subscription Receipts upon surrender of the Securities issued in exchange therefor, provided that such remedy for rescission is exercised in the time stipulated in the Subscription Receipt Agreement. This right of rescission will not extend to any holders of Subscription Receipts who acquire such Subscription Receipts from an initial purchaser on the open market or otherwise.

The applicable Prospectus Supplement will include details of the Subscription Receipt Agreement covering the Subscription Receipts being offered. The specific terms of the Subscription Receipts, and the extent to which the general terms described in this section apply to those Subscription Receipts, will be set forth in the applicable Prospectus Supplement and Subscription Receipt Agreement. A copy of the Subscription Receipt Agreement will be filed by us with securities regulatory authorities after it has been entered into by us and will be available on our SEDAR profile at www.sedar.com. Prospective investors should refer to the Subscription Receipt Agreement relating to the specific Subscription Receipts being offered for the complete terms of the Subscription Receipts.

Subscription Receipts will entitle the holder thereto to receive other Securities (typically Common Shares or Debt Securities), for no additional consideration, upon the completion of a particular transaction or event, typically an acquisition of the assets or securities of another entity by the Corporation. The subscription proceeds from an offering of Subscription Receipts will be held in escrow by an escrow or other agent pending the completion of the transaction or the termination time (the time at which the escrow

terminates regardless of whether the transaction or event has occurred). Holders of Subscription Receipts will receive other Securities upon the completion of the particular transaction or event or, if the transaction or event does not occur by the termination time, a return of the subscription funds for their Subscription Receipts together with any interest or other income earned thereon.

This section describes the general terms that will apply to any Subscription Receipts being offered and is not intended to be complete. The terms and provisions of any Subscription Receipts offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. The particular terms of each issue of Subscription Receipts that will be described in the related Prospectus Supplement will include, where applicable:

- (a) the number of Subscription Receipts;
- (b) the price at which the Subscription Receipts will be offered;
- (c) conditions (the "**Release Conditions**") for the exchange of Subscription Receipts into Common Shares, Warrants or Debt Securities, as the case may be, and the consequences of such conditions not being satisfied;
- (d) the procedures for the exchange of the Subscription Receipts into Common Shares, Warrants or Debt Securities;
- (e) the number of Common Shares, Warrants or Debt Securities to be exchanged for each Subscription Receipt;
- (f) procedures for the payment by the Escrow Agent to holders of such Subscription Receipts of an amount equal to all or a portion of the subscription price of their Subscription Receipts, plus any additional amounts provided for in the Subscription Receipt Agreement, if the Release Conditions are not satisfied;
- (g) the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of such Subscription Receipts, together with interest and income earned thereon, or collectively, the Escrowed Funds, pending satisfaction of the Release Conditions;
- (h) the dates or periods during which the Subscription Receipts may be exchanged into Common Shares, Warrants or Debt Securities;
- (i) the identity of the Escrow Agent;
- (j) 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 Security;
- (k) the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to us upon satisfaction of the Release Conditions and if the Subscription Receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commissions in connection with the sale of the Subscription Receipts;
- (l) the currency or currency unit for which Subscription Receipts may be purchased and the aggregate principal amount, currency or currencies, denominations and terms of the series of Common Shares, Warrants or Debt Securities that may be exchanged upon exercise of each Subscription Receipt;
- (m) the material income tax consequences of owning, holding and disposing of the Subscription Receipts;
- (n) the securities exchange(s) on which the Subscription Receipts will be listed, if any; and
- (o) any other material terms and conditions of the Subscription Receipts.

Prior to the exchange of their Subscription Receipts, holders of Subscription Receipts will not have any of the rights of holders of the securities to be received on the exchange of the Subscription Receipts. Subscription Receipts, if issued in registered form, will be exchangeable for other Subscription Receipts of the same tenor, at the office indicated in the Prospectus Supplement. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

Escrow

The Subscription Receipt Agreement will provide that the Escrowed Funds will be held in escrow by the Escrow Agent, and such Escrowed Funds will be released to us (and, if the Subscription Receipts are sold to or through underwriters or agents, a portion of the Escrowed Funds may be released to such underwriters or agents in payment of all or a portion of their fees in connection with the sale of the Subscription Receipts) at the time and under the terms specified by the Subscription Receipt Agreement. If the Release Conditions are not satisfied, holders of Subscription Receipts will receive payment of an amount equal to all or a portion of the subscription price for their Subscription Receipts, plus any additional amounts provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement.

Modifications

The Subscription Receipt Agreement will specify the terms upon which modifications and alterations to the Subscription Receipts issued thereunder may be made by way of a resolution of holders of Subscription Receipts at a meeting of such holders or by way of consent in writing from such holders. The number of holders of Subscription Receipts required to pass such a resolution or execute such a written consent will be specified in the Subscription Receipt Agreement. The Subscription Receipt Agreement will also specify that we may amend the Subscription Receipt Agreement and the Subscription Receipts, without the consent of the holders of the Subscription Receipts, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of the holder of outstanding Subscription Receipts or as otherwise specified in the Subscription Receipt Agreement.

Warrants

The following sets forth certain general terms and provisions of the Warrants. We may issue Warrants for the purchase of Common Shares, Debt Securities or other Securities of the Corporation. Warrants may be issued independently or together with Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Units or other Securities offered by any Prospectus Supplement and may be attached to, or separate from, any such offered Securities. Each series of Warrants will be issued under a warrant indenture or agreement between us and a warrant agent that we will name in the applicable Prospectus Supplement, including, without limitation, under supplemental indentures to the indenture dated June 29, 2017 between the Corporation and Computershare Trust Company of Canada as warrant agent.

Terms of the Warrants

Each initial purchaser of Warrants that are exercisable within 180 days of the date of purchase will have a non-assignable contractual right of rescission following the issuance of any securities to such purchaser upon the exercise of the Warrants if this Prospectus, the Prospectus Supplement under which the Warrants are offered, or any amendment hereto or thereto contains a misrepresentation, as such term is defined in the *Securities Act* (British Columbia). This contractual right of rescission will entitle such initial purchaser to receive the amount paid for the Warrants upon surrender of the securities issued on the exercise thereof, provided that such remedy for rescission is exercised within 180 days from the date of the purchase of such Warrants under the applicable Prospectus Supplement. This right of rescission will not extend to any holders of Warrants who acquire such Warrants from an initial purchaser on the open market or otherwise. Additional information concerning this right of rescission is included under the heading "*Statutory Right of Rescission*".

This summary of some of the provisions of the Warrants is not complete, the applicable Prospectus Supplement will include details of the warrant agreement(s) covering the Warrants being offered. The specific terms of the Warrants, and the extent to which the general terms described in this section apply to those Warrants, will be set forth in the applicable Prospectus Supplement. A copy of the warrant agreement will be filed by us with securities regulatory authorities after it has been entered into by us and will be available on our SEDAR profile at www.sedar.com.

Warrants will entitle the holder thereof to receive other Securities (typically Common Shares or Debt Securities) upon the exercise thereof and payment of the applicable exercise price. A Warrant is typically exercisable for a specific period of time at the end of which time it will expire and cease to be exercisable.

This section describes the general terms that will apply to any Warrants being offered. The terms and provisions of any Warrants offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. The particular terms of each issue of Warrants that will be described in the related Prospectus Supplement will include, where applicable:

- (a) the designation of the Warrants;

- (b) the aggregate number of Warrants offered and the offering price;
- (c) the designation, number and terms of the Common Shares, Debt Securities or other Securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- (d) the exercise price of the Warrants;
- (e) the dates or periods during which the Warrants are exercisable;
- (f) the designation and terms of any securities with which the Warrants are issued;
- (g) any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- (h) if the Warrants are issued as a Unit with another Security, the date on and after which the Warrants and the other Security will be separately transferable;
- (i) whether such Warrants will be subject to redemption or call, and if so, the terms of such redemption or call provisions;
- (j) any minimum or maximum amount of Warrants that may be exercised at any one time;
- (k) whether the Warrants will be issued in fully registered or global form;
- (l) whether such Warrants will be listed on any securities exchange;
- (m) the currency or currency unit in which the exercise price is denominated;
- (n) any rights, privileges, restrictions and conditions attaching to the Warrants;
- (o) the material income tax consequences of owning, holding and disposing of the Warrant; and
- (p) any other specific terms.

Warrant certificates, if issued in registered form, will be exchangeable for new warrant certificates of different denominations at the office indicated in the Prospectus Supplement. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the Securities subject to the Warrants.

Modifications

We may amend any warrant agreement and the Warrants without the consent of the holders of the Warrants in certain circumstances including to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Warrants. A more detailed description of the amendment provisions will be included in the applicable Prospectus Supplement.

Enforceability

The warrant agent will act solely as our agent. The warrant agent will not have any duty or responsibility if we default under the warrant agreements or the warrant certificates. A Warrant holder may, without the consent of the warrant agent, enforce, by appropriate legal action on its own behalf, the holder's right to exercise the holder's Warrants.

Units

The following sets forth certain general terms and provisions of the Units. We may issue Units comprised of only one or more of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

Terms of the Units

Any Prospectus Supplement for Units supplementing this Prospectus will contain the terms and other information with respect to the Units being offered thereby, including:

- (a) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately;
- (b) any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units;
- (c) how, for income tax purposes, the purchase price paid for the Units is to be allocated among the component Securities;
- (d) the currency or currency units in which the Units may be purchased and the underlying Securities denominated;
- (e) the securities exchange(s) on which such Units will be listed, if any;
- (f) whether the Units and the underlying Securities will be issued in fully registered or global form; and
- (g) any other specific terms of the Units and the underlying Securities.

The preceding description and any description of Units 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 unit agreement and, if applicable, collateral arrangements and depositary arrangements relating to such Units.

Modifications

We may amend the unit agreement and the Units, without the consent of the holders of the Units, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Units. Other amendment provisions will be as indicated in the applicable Prospectus Supplement.

OTHER MATTERS RELATING TO THE SECURITIES

General

The Securities may be issued in fully registered certificated form or in book-entry only form.

Certificated Form

Securities issued in certificated form will be registered in the name of the purchaser or its nominee on the registers maintained by our transfer agent and registrar or the applicable trustee.

Book-Entry Only Form

Securities issued in "book-entry only" form must be purchased, transferred or redeemed through participants in a depository service of a depository identified in the Prospectus Supplement for the particular offering of Securities. Each of the underwriters, dealers or agents, as the case may be, named in the Prospectus Supplement will be a participant of the depository. On the closing of a book-entry only offering, we will cause a global certificate or certificates or an electronic deposit representing the aggregate number of Securities subscribed for under such offering to be delivered to or deposited with, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Securities will be entitled to a certificate or other instrument from us or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the registered dealer from which the Securities are purchased in accordance with the practices and procedures of such registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its participants having interests in the Securities. Reference in this Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

If we determine, or the depository notifies us in writing, that the depository is no longer willing or able to properly discharge its responsibilities as depository with respect to the Securities and we are unable to locate a qualified successor, or if we at our option elect, or are required by law, to terminate the book-entry system, then the Securities will be issued in certificated form to holders or their nominees.

Transfer, Conversion or Redemption of Securities

Certificated Form

Transfer of ownership, conversion or redemptions of Securities held in certificated form will be effected by the registered holder of the Securities in accordance with the requirements of our transfer agent and registrar and the terms of the agreement, indenture or certificates representing such Securities, as applicable.

Book-Entry Only Form

Transfer of ownership, conversion or redemptions of Securities held in book-entry only form will be effected through records maintained by the depository or its nominee for such Securities with respect to interests of participants, and on the records of participants with respect to interests of persons other than participants. Holders who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities may do so only through participants. The ability of a holder to pledge a Security or otherwise take action with respect to such holder's interest in a Security (other than through a participant) may be limited due to the lack of a physical certificate.

Payments and Notices

Certificated Form

Any payment of principal, a redemption amount, a dividend or interest (as applicable) on a Security will be made by us, and any notices in respect of a Security will be given by us, directly to the registered holder of such Security, unless the applicable agreement, indenture or certificate in respect of such Security provides otherwise.

Book-Entry Only Form

Any payment of principal, a redemption amount, a dividend or interest (as applicable) on a Security will be made by us to the depository or its nominee, as the case may be, as the registered holder of the Security and we understand that such payments will be credited by the depository or its nominee in the appropriate amounts to the relevant participants. Payments to holders of Securities of amounts so credited will be the responsibility of the participants.

As long as the depository or its nominee is the registered holder of the Securities, the depository or its nominee, as the case may be, will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. In such circumstances, our responsibility and liability in respect of notices or payments on the Securities is limited to giving or making payment of any principal, redemption, dividend or interest (as applicable) due on the Securities to the depository or its nominee. Each holder must rely on the procedures of the depository and, if such holder is not a participant, on the procedures of the participant through which such holder owns its interest, to exercise any rights with respect to the Securities.

We understand that under existing industry practices, if we request any action of holders or if a holder desires to give any notice or take any action which a registered holder is entitled to give or take with respect to any Securities issued in book-entry only form, the depository would authorize the participant acting on behalf of the holder to give such notice or to take such action, in accordance with the procedures established by the depository or agreed to from time to time by us, any trustee and the depository. Accordingly, any holder that is not a participant must rely on the contractual arrangement it has directly or indirectly through its financial intermediary with its participant to give such notice or take such action.

We, the underwriters, dealers or agents and any trustee identified in a Prospectus Supplement relating to an offering of Securities in book-entry only form, as applicable, will not have any liability or responsibility for: (i) records maintained by the depository relating to beneficial ownership interests of the Securities held by the depository or the book-entry accounts maintained by the depository; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership; or (iii) any advice or representation made by or with respect to the depository and contained in the Prospectus Supplement or in any indenture relating to the rules and regulations of the depository or any action to be taken by the depository or at the directions of the participants.

PLAN OF DISTRIBUTION

The Corporation may sell Securities offered by this Prospectus for cash or other consideration (i) to or through underwriters, dealers, placement agents or other intermediaries, (ii) directly to one or more purchasers or (iii) in connection with acquisitions of assets or shares of another entity or company. The Prospectus Supplement relating to an offering of Securities will indicate the jurisdiction or jurisdictions in which such offering is being made to the public and will identify the person(s) offering the Securities. Each Prospectus Supplement will set out the terms of the offering, including the name or names of any underwriters, dealers or agents, the purchase price or prices of the Securities (or the manner of determination thereof if offered on a non-fixed price basis), and the proceeds to us from the sale of the Securities. Only underwriters, dealers or agents so named in the Prospectus Supplement are deemed to be underwriters, dealers or agents, as the case may be, in connection with the Securities offered thereby.

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The prices at which the Securities may be offered may vary between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters, dealers or agents will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters, dealers or agents to us.

Underwriters, dealers or agents may make sales of Securities in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an "at-the-market" offering as defined in and subject to limitations imposed by and the terms of any regulatory approvals required and obtained under, applicable Canadian securities laws, which includes sales made directly on an existing trading market for the 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 "at-the-market" offerings (as defined under applicable Canadian securities laws), underwriters 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 or dealer involved in an "at-the-market" offering, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer 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 or dealers purchase Securities as principals, the Securities will be acquired by the underwriters or dealers for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters or dealers to purchase those Securities will be subject to certain conditions precedent, and the underwriters or dealers will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid may be changed from time to time.

The Securities may also be sold directly by us in accordance with applicable securities laws at prices and upon terms agreed to by the purchaser and us, or through agents designated by us, from time to time. Any agent involved in the offering and sale of Securities pursuant to a particular Prospectus Supplement will be named, and any commission payable by us to that agent will be set forth in such Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent would be acting on a best efforts basis for the period of its appointment.

In connection with the sale of the Securities, underwriters, dealers or agents may receive compensation from us in the form of commissions, concessions and discounts. Any such commissions may be paid out of our general funds or the proceeds of the sale of Securities. Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with us to indemnification by us 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 engage in transactions with, or perform services for, us in the ordinary course of business.

Each issue by the Corporation of Debt Securities, Preferred Shares, Subscription Receipts, Warrants and Units will be a new issue of securities with no established trading market. Unless otherwise specified in a Prospectus Supplement relating to an offering of Debt Securities, Preferred Shares, Subscription Receipts, Warrants and Units, such Securities will not be listed on any securities or stock exchange. Any underwriters, dealers or agents to or through whom such Securities are sold may make a market in such

Securities, but they will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that a trading market in any such Securities will develop or as to the liquidity of any trading market for such Securities.

In connection with any offering of Securities, the applicable Prospectus Supplement will set forth any intention by the underwriters, dealers or agents to offer, allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time.

The Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered to, or for the account or benefit of, a person in the "United States" or, as applicable, a "U.S. person" (as such terms are defined in Regulation S under the U.S. Securities Act), except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state laws. Each underwriter or agent for any offering of Securities pursuant to this Prospectus will agree that it will not offer, sell or deliver such securities to, or for the account or benefit of, a person in the United States, or, as applicable, a U.S. person except in certain transactions exempt from the registration requirements of the U.S. Securities Act and in compliance with applicable state securities laws.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences to an investor who is a non-resident of Canada or to an investor who is a resident of Canada of acquiring, owning and disposing of any of our Securities offered thereunder. The applicable Prospectus Supplement may also describe certain U.S. federal income tax consequences of the acquisition, ownership and disposition of any of our Securities offered thereunder by an initial investor who is a U.S. person (within the meaning of the U.S. Internal Revenue Code of 1986), including, to the extent applicable, such consequences relating to debt securities payable in a currency other than the U.S. dollar, issued at an original issue discount for U.S. federal income tax purposes or containing early redemption provisions or other special items. Investors should read the tax discussion in any Prospectus Supplement with respect to a particular offering and consult their own tax advisors with respect to their own particular circumstances.

PRIOR SALES

Other than as set forth in the following table, we have not sold or issued any Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units or securities convertible into Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units during the 12 months prior to the date of this Prospectus. All values below are represented on a post-Forward Split basis:

<u>Security/Date</u>	<u>Number of Securities</u>	<u>Issue Price Per Security</u>	<u>Reason for Issuance</u>
Special Warrants			
January 25, 2017 ⁽¹⁾	60,927,546	\$0.018	January Special Warrant Offering
June 29, 2017 ⁽²⁾	20,252,203	\$1.00	June Special Warrant Offering
	<u>Number of Securities</u>	<u>Issue Price Per Security</u>	<u>Reason for Issuance</u>
Common Shares			
February 22, 2017 ⁽³⁾	60,927,546	N/A	Conversion of January Special Warrants
March 14, 2017 ⁽⁴⁾	54,818,319	\$0.018	First Unit Offering
March 21, 2017 ⁽⁵⁾	21,713,649	\$0.018	Second Unit Offering
October 2, 2017 ⁽⁶⁾	20,252,203	\$1.00	Conversion of June Special Warrants
October 31, 2017	27,499,912	\$1.00	RockGarden Acquisition
November 1, 2017 ⁽⁷⁾	29,166,665	\$1.20	Conversion of Debentures
	<u>Number of Securities</u>	<u>Exercise Price Per Security</u>	<u>Reason for Issuance</u>
Warrants to Purchase Common Shares			
February 22, 2017 ⁽⁸⁾	60,927,546	\$0.023	Conversion of January Special Warrants
March 14, 2017 ⁽⁴⁾	54,818,319	\$0.023	First Unit Offering
March 21, 2017 ⁽⁵⁾	21,713,649	\$0.023	Second Unit Offering
June 29, 2017 ⁽⁹⁾	15,000,000	\$1.50	June Offering

<u>Security/Date</u>	<u>Number of Securities</u>	<u>Issue Price Per Security</u>	<u>Reason for Issuance</u>
October 2, 2017 ⁽¹⁰⁾	20,252,203	\$1.50	Conversion of June Special Warrants
November 1, 2017	29,155,000	\$1.20	November Offering
	<u>Number of Securities</u>	<u>Exercise Price Per Security</u>	<u>Reason for Issuance</u>
Options			
February 22, 2017 ⁽¹¹⁾	12,716,085	\$0.0225	Incentive stock options
December 1, 2017	6,045,000	\$1.00	Incentive stock options
	<u>Principal Amount</u>	<u>Conversion Price Per CD Conversion Share</u>	<u>Reason for Issuance</u>
Convertible Debentures			
June 29, 2017	\$30,000,000	\$1.00	June Offering
November 1, 2017	\$35,000,000	\$1.20	November Offering

Notes:

- (1) On January 25, 2017, the Corporation issued 60,927,546 special Common Share purchase warrants (the "**January Special Warrants**") for aggregate gross proceeds of \$1,117,005. On February 23, 2017, the January Special Warrants were converted, without payment of any additional consideration or need for further action, into an equivalent number of units of the Corporation, each unit being comprised of one Common Share and one Common Share purchase warrant (each, a "**January Warrant**"), each such January Warrant entitling the holder thereof to acquire one additional Common Share at \$0.023 until January 20, 2019, on a post-Forward Split basis.
- (2) On June 29, 2017, the Corporation issued 20,252,203 special warrants (the "**June Special Warrants**") exercisable for 20,252,203 units, with each unit comprised of a Common Share and a Common Share purchase warrant for gross proceeds of \$20,252,203 (the "**June Special Warrant Offering**"). On October 2, 2017, the June Special Warrants were converted, without payment of any additional consideration or need for further action, into an equivalent number of units of the Corporation, each unit being comprised of one Common Share and one Common Share purchase warrant (each, a "**June Warrant**"), each such June Warrant entitling the holder thereof to acquire one additional Common Share at \$1.50 until June 29, 2019.
- (3) 60,927,546 Common Shares were issued upon conversion of the January Special Warrants on a post-Forward Split basis.
- (4) On March 14, 2017, the Corporation closed a first tranche distribution (the "**First Unit Offering**") of 54,818,319 units of the Corporation (the "**March Units**") at \$0.018 per March Unit, on a post-Forward Split basis, for aggregate gross proceeds of \$1,005,003. Each March Unit issued under the First Unit Offering being comprised of one Common Share and one Common Share purchase warrant (each, a "**March Warrant**"), each such March Warrant entitling the holder thereof to acquire one additional Common Share at \$0.023 until March 14, 2019, on a post-Forward Split basis.
- (5) On March 21, 2017, the Corporation closed a second tranche distribution (the "**Second Unit Offering**") of 21,713,649 March Units at \$0.018 per March Unit, on a post-Forward Split basis, for aggregate gross proceeds of \$398,085. Each March Unit issued under the Second Unit Offering being comprised of one Common Share and one March Warrant, each such March Warrant entitling the holder thereof to acquire one additional Common Share at \$0.023 until March 14, 2019, on a post-Forward Split basis.
- (6) 20,252,203 Common Shares were issued upon conversion of the June Special Warrants.
- (7) On November 1, 2017, the principal amount of the Debentures issued under the November Offering was converted into 29,166,665 Common Shares.
- (8) 60,927,546 January Warrants were issued upon the conversion of the January Special Warrants. Each January Warrant is exercisable to acquire one Common Share at \$0.023 per Common Share on a post-Forward Split basis until January 20, 2019.
- (9) On June 29, 2017, the Corporation raised \$30,000,000 through the issuance of 30,000 convertible debenture units (the "**June Units**") to subscribers at a price of \$1,000 per June Unit (the "**June Offering**"). Each June Unit consists of \$1,000 principal amount of 6% senior unsecured convertible debentures and 500 Common Share purchase warrants (the "**June CD Warrants**") of the Corporation. Each June CD Warrant is exercisable to acquire one Common Share at an exercise price of \$1.50 per Common Share until June 29, 2019.
- (10) 20,252,203 June Warrants were issued upon the conversion of the June Special Warrants. Each June Warrant is exercisable to acquire one Common Share at \$1.50 per Common Share until June 29, 2019.
- (11) The options granted have an exercise price of \$0.025 per option and an expiry date of March 15, 2022, on a post-Forward Split basis.

TRADING PRICE AND VOLUME

Trading price and volume of the Corporation's securities will be provided as required for all of our listed securities, as applicable, in each Prospectus Supplement to this Prospectus.

RISK FACTORS

The Securities are subject to certain risks. When evaluating the Corporation and its business, potential holders of the Securities should consider carefully the information set out in this Prospectus and the risks described below and in the documents incorporated by reference in this Prospectus, including those risks identified and discussed under the heading "*Risk Factors*" in the AIF, which are incorporated by reference herein. The risks described below and in the AIF are not the only ones facing the

Corporation. Additional risks not currently known to the Corporation, or that the Corporation currently deems immaterial, may also impair the Corporation's operations. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. If any of the risks described below or in the AIF actually occur, the Corporation's business, financial condition and operating results could be adversely affected. Investors should carefully consider the risks below and in the AIF and the other information elsewhere in this Prospectus and consult with their professional advisors to assess any investment in the Corporation. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently deems immaterial may also impair the Corporation's business operations.

A positive return on Securities is not guaranteed.

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.

The Corporation has broad discretion to use the net proceeds from an offering.

The Corporation intends to use the net proceeds raised under this Prospectus to achieve its stated business objectives as set forth under "*Use of Proceeds*" under this Prospectus and any applicable Prospectus Supplement. The Corporation maintains broad discretion to spend the proceeds in ways that it deems most efficient as well as the timing of expenditures. As a result, investors will be relying on the judgment of management as to the application of the remaining proceeds of an offering. Management may use the remaining proceeds of an offering in ways that an investor may not consider desirable. The results and effectiveness of the application of the remaining proceeds are uncertain. The application of the proceeds to various items may not necessarily enhance the value of the Common Shares. The failure to apply the net proceeds as set forth under "*Use of Proceeds*", or the failure of the Corporation to achieve its stated business objectives set forth in such section, could adversely affect the Corporation's business, financial condition and / or operating results and, consequently, could adversely affect the price of the Common Shares on the open market.

The Corporation may sell or issue additional Common Shares or other Securities resulting in dilution.

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. 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 will 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 on the TSX-V may decrease due to the additional amount of Common Shares available in the market.

There is no assurance of a sufficient liquid trading market for the Corporation's Common Shares in the future.

Shareholders of the Corporation may be unable to sell significant quantities of Common Shares into the public trading markets without a significant reduction in the price of their Common Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Corporation's Common Shares on the trading market, and that the Corporation will continue to meet the listing requirements of the TSX-V or achieve listing on any other public listing exchange.

There is currently no market through which the Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units may be sold.

There is currently no market through which our securities, other than our Common Shares, may be sold and, unless otherwise specified in the applicable Prospectus Supplement, our Preferred Shares, Debt Securities, Subscription Receipts, Warrants and Units will not be listed on any securities or stock exchange or any automated dealer quotation system. As a consequence, purchasers may not be able to resell Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units purchased under this Prospectus. This may affect the pricing of our Securities, other than our 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 our Securities, other than our Common Shares, will develop or, if developed, that any such market, including for our Common Shares, will be sustained.

INTERESTS OF EXPERTS

MNP LLP is the independent auditor of the Corporation and is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are MNP LLP, located at Suite 300, 111 Richmond Street West, Toronto, Ontario, M5H 2G4, Canada. MNP LLP is independent of the Corporation in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

The transfer agent and registrar in respect of the Common Shares and the warrant agent for the Warrants is Computershare Trust Company of Canada, located at its principal offices in Vancouver, British Columbia.

LEGAL MATTERS

Certain legal matters related to our securities offered by this Prospectus will be passed upon on our behalf by Owens Wright LLP, with respect to matters of Canadian law. The partners and associates of Owens Wright LLP as a group beneficially own, directly or indirectly, less than one percent of the outstanding securities of the Corporation.

STATUTORY RIGHT OF 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 only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

In an offering of convertible, exchangeable or exercisable Securities, original purchasers will have a contractual right of rescission against the Corporation following the conversion, exchange or exercise of such Securities in the event that this Prospectus, the applicable Prospectus Supplement or any amendment thereto contains a misrepresentation. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the securities issued upon conversion, exchange or exercise of such Securities, the amount paid for such Securities, provided that (i) the conversion, exchange or exercise takes place within 180 days from the date of the purchase of such Securities under the applicable Prospectus Supplement and (ii) the right of rescission is exercised within 180 days from the date of the purchase of such Securities under the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia) and is in addition to any other right or remedy available to original purchasers under Section 131 of the *Securities Act* (British Columbia) or otherwise by law.

Original purchasers of convertible, exchangeable or exercisable Securities are further cautioned that in an offering of convertible, exchangeable or exercisable Securities, the statutory right of action for damages for a misrepresentation contained in a prospectus is, under the securities legislation of certain provinces, limited to the price at which the convertible, exchangeable or exercisable Security was offered to the public under the prospectus offering. Accordingly, any further payment made at the time of conversion, exchange or exercise of the security may not be recoverable in a statutory action for damages in such provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE CORPORATION

Date: December 19, 2017

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 in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland and Labrador, New Brunswick, Nova Scotia and Prince Edward Island.

By: *(signed) "Chuck Rifici"*
Chuck Rifici
Chief Executive Officer

By: *(signed) "Jeff Tung"*
Jeff Tung
Chief Financial Officer

On Behalf of the Board of Directors:

By: *(signed) "Hugo Alves"*
Hugo Alves
Director

By: *(signed) "Ian McKay"*
Ian McKay
Director