



CANNABIS WHEATON INCOME CORP.

ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

May 24, 2018

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NOTICE TO READER

In this annual information form (the "**AIF**"), unless otherwise noted or the context indicates otherwise, "**Cannabis Wheaton**", the "**Company**", "**we**", "**us**" and "**our**" refer to Cannabis Wheaton Income Corp. and its subsidiaries. All financial information in this AIF is prepared in Canadian dollars and using International Financial Reporting Standards ("**IFRS**"). Unless otherwise specified, in this AIF, all references to "dollars" or to "\$" are to Canadian dollars. Unless otherwise specified, all references to share capital, including the terms and pricing of offerings, are made on a post-Forward Split basis. The information contained herein is dated as of May 23, 2017, unless otherwise stated.

FORWARD-LOOKING STATEMENTS

This AIF contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Wherever possible, words such as "plans", "expects" or "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify forward-looking information. Capitalized terms have meanings assigned to them in the "*Glossary*" on page 4.

Forward-looking information in this AIF may include, but is not limited to:

- possible investments the Company may make in the future;
- raising additional financing to further the Company's investment business;
- the dependence of the Company's cash flow and financial performance on third parties;
- the price of medical cannabis;
- the Company's lack of control over the operations of its Streaming Partners;
- the fluctuations in the price of the common shares in the capital of the Company (the "**Shares**") and market for the Shares;
- the Company's ongoing investment strategy;
- the ability of the Streaming Partners to produce medical cannabis;
- the accuracy of the information and projections provided by the Company's Streaming Partners;
- the successful construction of the Streaming Partners' current and proposed facilities;
- changes in laws, regulations and guidelines including the advent of the recreational cannabis market and developments to the regulation of medical cannabis;
- identifying specific industries or businesses in which the Company will make its investments;
- licensing risks associated with the operations of the Streaming Partners;
- regulatory risks associated with the operations of the Company and its Streaming Partners;
- future liquidity and financial position;

- the Company's expectations with respect to future growth;
- the ability of the Company to generate cash flow; and
- the Company's competitive position.

By identifying such information and statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such information and statements.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. A number of factors could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking information. The forward-looking information contained herein is based on certain assumptions, including without limitations, that the:

- current and future management will abide by the investment objectives and investment strategies outlined herein;
- Company will supplement its Board and management, or otherwise engage consultants and advisors, having knowledge of the industries in which the Company invests;
- Streaming Partners will be able to generate cash flow;
- general economic, financial market, regulatory and political conditions in which the Company operates will remain the same;
- Company will be able to compete in the cannabis industry;
- Company will be able to manage anticipated and unanticipated costs;
- Company will be able to enter into additional streaming agreements;
- Company will be able to maintain internal controls over financial reporting and disclosure, and procedures;
- Streaming Partners will be able meet the requirements necessary to obtain and/or maintain their status as Licensed Producers;
- 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; and
- Streaming Partners will be able to cultivate cannabis pursuant to applicable law.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, it can give no assurance that such expectations will prove to have been correct. 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 Company'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 information. The Company's forward-looking information is based on information currently available and what management believes are reasonable assumptions. Forward-looking information speaks only to such assumptions as of the date of this AIF. In addition, this AIF may contain forward-looking information attributed to third party industry sources, the accuracy of which has not been verified by the Company.

The Company's forward-looking information is expressly qualified in its entirety by this cautionary statement. In particular, but without limiting the foregoing, disclosure in this AIF under "*The Business*" as well as statements regarding the Company's objectives, plans and goals, including future operating results, economic performance may make reference to or involve forward-looking information. 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 AIF. The Company 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. A number of factors could cause actual events, performance or results to differ materially from what is projected in the forward-looking information. Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking information contained in this AIF include, but are not limited to the factors included under "*Risk Factors*" herein.

INDUSTRY AND OTHER STATISTICAL INFORMATION

This AIF includes market share, industry and other statistical information that the Company has obtained from independent industry publications, government publications, market research reports and other published independent sources. Such publications and reports generally state that the information contained therein has been obtained from sources believed to be reliable. Although the Company believes these publications and reports to be reliable, it has not independently verified any of the data or other statistical information contained therein, nor has it ascertained or validated the underlying economic or other assumptions relied upon by these sources. The Company does not intend, and undertakes no obligation, to update or revise any such information or data, whether as a result of new information, future events or otherwise, except as, and to the extent required by applicable securities laws.

GLOSSARY

In this AIF, the following terms have the following meanings:

"2018 Debenture Offering"	means the Company's private placement offering of convertible debenture units for total gross proceeds of \$100,000,000, the closing of which was announced on January 18, 2018.
"255"	means 2557788 Ontario Ltd.
"ACMPR"	means the <i>Access to Cannabis for Medical Purposes Regulations</i> (Canada), issued pursuant to the CDSA.
"AIF"	means this annual information form of the Company dated May 24, 2018 prepared pursuant to Part 6 of National Instrument 51-102 <i>Continuous Disclosure Obligations</i> .
"Allard"	has the meaning ascribed thereto in " <i>Cannabis Industry Background and Trends – Canadian Regulatory Environment – Recent Legislative Changes</i> ".
"Application"	means an application submitted to Health Canada to become an LP pursuant to the ACMPR or MMPR.
"Audit Committee"	means the audit committee of the Company.
"BCBCA"	has the meaning ascribed thereto in " <i>Corporate Structure – Name, Address and Incorporation</i> ".
"Bill C-45"	has the meaning ascribed thereto in " <i>Cannabis Industry Background and Trends – Canadian Regulatory Environment – Recent Legislative Changes – Bill C-45 and Legislation to Legalize Recreational Use of Cannabis</i> ".
"Board"	means the board of directors of the Company.
"cannabis"	has the meaning given to such term in the ACMPR.
"cannabis oil"	has the meaning given to such term in the ACMPR.
"CBD"	means cannabidiol.
"CDSA"	means the <i>Controlled Drugs and Substances Act</i> (Canada), as amended.
"Charter"	has the meaning ascribed thereto in " <i>Cannabis Industry Background and Trends – Canadian Regulatory Environment – Recent Legislative Changes</i> ".
"Company"	means Cannabis Wheaton Income Corp.
"Convertible Debentures"	has the meaning ascribed thereto in " <i>Description of Capital Structure – Convertible Debentures</i> ".
"COR"	means written notice from Health Canada that the LP Applicant has completed Health Canada's paper-based review and is currently in the "Confirmation of Readiness" stage.
"Cultivation and Sales Licence"	means a licence to cultivate and sell cannabis under the ACMPR granted to a Licensed Producer.
"Cultivation Licence"	means a licence to cultivate cannabis under the ACMPR granted to a Licensed Producer.

"D.O.P.E. Note"	has the meaning ascribed thereto in " <i>General Development of the Business – History – Events Subsequent to 2016</i> ".
"Definitive Agreement"	means a definitive agreement entered into by the Company and a Streaming Partner.
"Dosecann"	means Dosecann Inc.
"DP Companies"	means the various private companies that the Company had direct and indirect interests in and which formed part of the Company's former investment strategy.
"Early Stage LP Applicant"	means an LP Applicant that: (i) is in the process of preparing its Application for submission to Health Canada; or (ii) has submitted its Application to Health Canada but has not yet obtained a COR.
"Equity Component"	has the meaning ascribed thereto in " <i>The Business – Upstream Portfolio – Streaming Agreements</i> ".
"Exchange" or "TSXV"	means the TSX Venture Exchange Inc.
"FDA"	means the <i>Food and Drug Act</i> (Canada), as amended.
"FDR"	means the <i>Food and Drug Regulations</i> (Canada), as amended.
"First Unit Offering"	means the first tranche closing involving the distribution by the Company of 18,272,773 March Units, sold at \$0.055 per March Unit and closed on March 14, 2017, on a pre-Forward Split basis, for aggregate gross proceeds of \$1,005,002.50.
"Forward Split"	means the forward split by the Company of its previously issued and outstanding Shares on the basis of three post-split Shares for every one outstanding Share.
"KoLab Project"	means KoLab Project Inc. (formerly RockGarden).
"IFRS"	means the International Financial Reporting Standards developed and maintained by the International Accounting Standards Board.
"Inverell"	means Inverell S.A.
"Investee Company"	means an entity in which an investment has been made by the Company.
"Interim Agreement"	means a binding interim agreement entered into by the Company and a Streaming Partner.
"June Offering"	has the meaning ascribed thereto in " <i>Prior Sales</i> ".
"JRC"	has the meaning ascribed thereto in " <i>The Business – Upstream Portfolio – Streaming Agreements</i> ".
"Licensed Dealer"	means a holder of a licence issued under Section 9 of the NCR
"Licensed Producer" or "LP"	means the holder of a licence issued under Section 35 of the ACMPR or any similar licence issued under predecessor legislation to cultivate and/or sell cannabis and/or cannabis oil.
"LP Applicant"	means a company that has submitted an Application to Health Canada to become a Licensed Producer.

"March Units"	means the units of the Company distributed in connection with the Prior Unit Offering, each comprised of one Share and one Warrant of the Company.
"MMAR"	means the <i>Marihuana Medical Access Regulations</i> (Canada) issued pursuant to the CDSA and since repealed.
"MMPR"	means the <i>Marihuana for Medical Purposes Regulations</i> (Canada) issued pursuant to the CDSA and since repealed.
"NCR"	means the <i>Narcotic Control Regulations</i> (Canada) issued pursuant to the CDSA.
"Offtake Price"	has the meaning ascribed thereto in " <i>The Business – Upstream Portfolio – Streaming Agreements</i> ".
"Patient Services Partner"	has the meaning ascribed thereto in " <i>General Development of the Business – History – Events Subsequent to 2016</i> ".
"PBO Report"	has the meaning ascribed thereto in " <i>Cannabis Industry Background and Trends – Canadian Regulatory Environment – Market Projections</i> ".
"Prior Unit Offering"	means the prior offering of 25,510,656 March Units by the Company, at \$0.055 per March Unit, on a pre-Forward Split basis, for aggregate gross proceeds of \$1,403,086.08, as closed in two tranches – the First Unit Offering and the Second Unit Offering.
"Product"	means dried cannabis, fresh cannabis, cannabis oil, cannabis seeds and any other cannabis-infused consumable or topical products (e.g. cannabis-infused beverages, cannabis-infused creams and lotions, cannabis-infused confections etc.) which are produced and sold by a Streaming Partner from time to time in accordance with applicable law including all saleable cannabis materials therefrom, including any immature cannabis plants and any cannabis trim.
"PSC"	has the meaning ascribed thereto in " <i>General Development of the Business – Events Subsequent to 2016</i> ".
"Public Parent"	means a corporation which wholly-owns a Streaming Partner, directly or indirectly, and whose common shares are listed for trading on a recognized Canadian stock exchange.
"RCI"	means Robinson's Cannabis Incorporated.
"RockGarden"	means RockGarden Medicinals (2014) Inc.
"Sales Licence"	means a licence to sell cannabis under the ACMPR granted to an LP by Health Canada.
"SEDAR"	means the System for Electronic Document Analysis and Retrieval.
"Second Unit Offering"	means the second tranche closing of the Prior Unit Offering involving the distribution by the Company of 7,237,883 March Units, sold at \$0.055 per March Unit and closed on March 21, 2017, on a pre-Forward Split basis, for aggregate gross proceeds of \$398,083.57.
"Share"	means a common share without par value in the capital stock of the Company, either prior to or following the Forward Split as applicable in the context.

" <i>Smith</i> "	has the meaning ascribed thereto in " <i>Cannabis Industry Background and Trends – Canadian Regulatory Environment – Recent Legislative Changes</i> ".
" Special Warrants "	means the 20,309,182 special common share purchase warrants issued by the Company on January 25, 2017 for aggregate gross proceeds of \$1,117,005, which share purchase warrants were converted on February 23, 2017, without payment of any additional consideration or need for further action, into an equivalent number of units of the Company, each unit being comprised of one Share and one Warrant, each such warrant entitling the holder thereof to acquire one additional Share at \$0.07 until January 25, 2019, on a pre-Forward Split basis.
" Streaming Agreements "	means the Company's Interim Agreements and Definitive Agreements.
" Streaming Partner "	means an LP or LP Applicant, as applicable, that is a counterparty to a Company's Streaming Agreement.
" Streaming Payment "	has the meaning ascribed thereto in " <i>The Business – Updated Investment Strategy</i> ".
" Stock Option Plan "	means the Company's stock option plan.
" Task Force "	means the Task Force on Marijuana Legalization and Regulation.
" Yield Component "	has the meaning ascribed thereto in " <i>The Business – Upstream Portfolio – Streaming Agreements</i> ".
" Warrant "	means a common share purchase warrant of the Company.

CORPORATE STRUCTURE

Name, Address and Incorporation

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

The Company was incorporated on August 24, 1987 pursuant to the *Company Act* (British Columbia) (as it then was called). On January 12, 2017, the Company's authorized share capital was increased from 100,000,000 Shares to an unlimited number of Shares and the Company adopted new articles to better reflect the provisions of the *Business Corporations Act* (British Columbia) ("**BCBCA**").

On May 5, 2017, the Company changed its name to "Cannabis Wheaton Income Corp." and on May 8, 2017, the Company began trading on the Exchange under the new symbol "CBW", the Company has previously traded on the Exchange under the symbol "KWF".

Intercorporate Relationships

The Company has three material subsidiaries: KoLab Project Inc. (formerly RockGarden Medicinals (2014) Inc.) ("**KoLab Project**" or "**RockGarden**", as applicable), a corporation incorporated pursuant to the *Business Corporations Act* (Ontario), Dosecann Inc. ("**Dosecann**"), and a corporation amalgamated pursuant to the *Canada Business Corporations Act*, and Robinson's Cannabis Incorporated ("**RCI**"), a corporation incorporated pursuant to the *Companies Act* (Nova Scotia).

KoLab Project (formerly RockGarden)

KoLab Project is a Licensed Producer of cannabis. KoLab Project currently operates a 10,000 square foot facility located in Carleton Place, Ontario. On August 25, 2017 KoLab Project was granted a Cultivation Licence and is currently pursuing its Sales Licence. The Company acquired KoLab Project pursuant to the terms of a share purchase agreement dated October 31, 2017.

Dosecann

Dosecann is a late-stage Licensed Dealer applicant located in Charlottetown, Prince Edward Island and is currently completing the buildout of its purpose built 42,000 square foot facility. Dosecann intends to use the facility to accommodate cannabis product development, extraction, formulation, filling and packaging. Dosecann is developing a suite of cannabis products across a variety of delivery methods for both the medical and adult-use markets. The Company acquired Dosecann pursuant to the terms of an Acquisition Agreement dated April 3, 2018.

RCI

RCI is a late-stage LP Applicant, located in Kentville, Nova Scotia. RCI is currently constructing a 27,700 square foot purpose-built indoor cannabis cultivation facility. The Company acquired RCI pursuant to the terms of a share purchase agreement dated April 6, 2018.



GENERAL DEVELOPMENT OF THE BUSINESS

History

The following is a summary of the general development of the Company over the three most recently completed financial years:

Three Year History

Over the past three fiscal years, the Company established seven new DP Companies and wound up six DP Companies. The cost to establish each new DP Company was nominal and the costs of winding up each of the six DP Companies were negligible. The revenue earned from the seven new DP Companies represents 23% of the Company's revenues as at December 31, 2016; and the revenue lost from the six DP Companies that were wound up represented 15% of the Company's past revenues.

In 2016, the Company also realized a 500% gain from the sale of shares of a private company which were acquired by the Company as an investment in 2008.

On June 18, 2015, Peter Nieforth ceased to be a director of the Company.

On August 27, 2015, Mark Lerohl was appointed as a director of the Company.

On December 21, 2016, the Company announced the resignation of Hugh Cartwright as a director of the Company, and each of Brandon Boddy and Troy Grant were appointed as directors of the Company.

During the last three fiscal years, the Company was able to grow its investment capital and retained earnings without issuing any equity or debt. With approximately \$710,000 of accumulated capital as of September 30, 2016, the Company commenced looking for investment opportunities outside its then current mandate.

In the third quarter of 2016, the Company commenced its search for investment opportunities in the cannabis industry.

Events Subsequent to 2016

In order to initiate its investment portfolio in the cannabis industry, the Company completed the following financings:

- On January 25, 2017, the Company closed the sale of the Special Warrants, under which the Company raised aggregate gross proceeds of \$1,117,005;
- On March 14, 2017, the Company closed the first tranche of a non-brokered private placement of 18,272,773 March Units, sold at \$0.055 per March Unit, under which the Company raised aggregate gross proceeds of \$1,005,003 (the "**First Unit Offering**"); and
- On March 21, 2017, the Company closed the second tranche of a non-brokered private placement of March Units (the "**Second Unit Offering**"), under which the Company raised aggregate gross proceeds of \$398,085.

In addition, the Company completed certain management changes, including securing new Board members, management personnel and advisory board members, having experience in the cannabis, financial, legal or related industries. See "*Directors and Officers*".

On January 6, 2017, at a special meeting of the Company's shareholders, the shareholders of the Company approved the following items:

- the increase of the Company's authorized share capital from 100,000,000 Shares to an unlimited number of Shares;
- the adoption of new articles to better reflect the provisions of the BCBCA; and
- the Company's possible continuance from British Columbia to Ontario pursuant to the *Business Corporations Act* (Ontario), as amended.

The Company has implemented the first two items above. The Company is currently contemplating a continuation to Ontario. A continuation to Ontario may be effected by the Company, at the discretion of the Board and without further notice to or approval of the shareholders, should the Board determine it to be advantageous to the Company.

On February 22, 2017, the Company received a receipt for a final short form prospectus filed by the Company which qualified the issuance of Shares and Warrants comprising the special warrants. On February 22, 2017 all of the special warrants were converted, and 20,309,182 Shares and 20,309,182 Warrants were issued, on a pre-Forward Split basis.

On March 2, 2017, Amelia Yeo resigned as the Chief Financial Officer of the Company.

On March 14, 2017, the Company closed the First Unit Offering, distributing 18,272,773 March Units, on a pre-Forward Split basis, at \$0.055 for gross proceeds of \$1,005,003. Each March Unit consisted of one Share and Warrant exercisable at \$0.07 per Warrant expiring March 14, 2019. On March 21, 2017, the Company closed the Second Unit Offering, issuing an additional 7,237,883 March Units, on a pre-Forward Split basis, for gross proceeds of \$398,085. No finder's fees were paid in connection the First Unit Offering or the Second Unit Offering. All of the securities issued under the First Unit Offering and the Second Unit Offering are subject to resale restrictions expiring four months and one day following the dates of issue, being July 15, 2017 and July 22, 2017, respectively.

On March 15, 2017, the Company issued an aggregate of 4,238,695 incentive stock options, on a pre-Forward Split basis, under the Company's former Stock Option Plan to a number of directors, officers and consultants, each such option being exercisable to acquire one share, on a pre-split basis, at an exercise price of \$0.075 per Share for five years. All of the options (and any Shares realized on the exercise thereof) are subject to resale restrictions expiring four months and a day from the date of issue.

On March 24, 2017, the Company announced a Forward Split of its issued and outstanding Shares, on the basis of three Shares for every one Share outstanding. The record date for implementation of the Forward Split was April 12, 2017. Pursuant to the Forward Split, each holder of a Share on the record date received two additional Shares, so as to hold three Shares on a post-Forward Split basis.

On April 10, 2017, the Company completed the previously announced Forward Split and as a result, the Company's outstanding Shares increased from 49,733,951 Shares to 149,201,853 Shares. Unless otherwise specified, all references to share capital in this AIF, are made on a post-Forward Split basis.

On April 19, 2017, the Company signed a purchase agreement with 255, a private Ontario company acting at arm's length to Cannabis Wheaton, pursuant to which the Company acquired all of 255's interests in certain patient outreach and services agreements between 255 and a number of different patient outreach and service providers (each, a "**Patient Services Partner**") for total consideration of \$1,200,000, paid in cash on closing.

On April 26, 2017, Mark Lerohl and Mark Walker resigned as directors of the Company and Ian McKay was appointed as a director of the Company.

On May 3, 2017, the Company signed a purchase agreement with PanCann Streaming Corp. ("**PSC**"), a private Ontario company, acting at arm's length to Cannabis Wheaton, pursuant to which the Company acquired all of PSC's interests in certain binding interim streaming agreements (collectively, the "**Initial Streaming Agreements**") between PSC and various LPs and LP Applicants for total cash consideration of \$1,000,000.

On May 5, 2017, Stephen McCoach resigned as Chairman of the Board and Secretary of the Company and Maurice Levesque resigned as a director and President of the Company.

On May 5, 2017, Chuck Rifici was appointed as Chairman of the Board and Chief Executive Officer of the Company, Jeff Tung was appointed as Chief Financial Officer and Chief Operating Officer of the Company, Ian Rapsey was appointed as Chief Creative Officer of the Company and Brad McNamee was appointed as Chief Infrastructure Officer of the Company.

On May 5, 2017, the Company announced the addition of several individuals to its advisory board.

On May 5, 2017, the Company changed its name to "Cannabis Wheaton Income Corp." and on May 8, 2017, the Company began trading on the Exchange under the new symbol "CBW", the Company has previously traded on the Exchange under the symbol "KWF".

On May 19, 2017, the Company announced the appointment of Kevin Furet to the position of Chief Cultivation and Genetics Officer.

On May 23, 2017, the Company announced the proposed private placement of special warrants to be completed by a syndicate of agents, on a best efforts basis, for aggregate gross proceeds of up to \$50,000,000.

On May 26, 2017, the Company announced that it appointed Sarah Bain as its Vice-President, External Affairs.

On May 29, 2017, the Company announced that it entered into an Interim Agreement with ABcann Global Corporation ("**ABcann**") to fund the construction of 50,000 square feet of cultivation space at ABcann's proposed cannabis cultivation facility in Napanee, Ontario.

On June 8, 2017, the Company announced that it appointed its advisory board member, Hugo Alves, as its President and Director.

On June 15, 2017, the Company announced that it appointed its advisory board member, Michael Lickver, as its Executive Vice President of Strategy.

On June 29, 2017, the Company announced the closing of its previously disclosed private placement of special warrants and convertible debenture units for aggregate gross proceeds of \$50,252,203 to fund its streaming partners and its working capital needs (the "**June Offering**"). Of those proceeds, \$30,000,000 was raised through the issuance of 30,000 convertible debenture units at a price of \$1,000 per convertible debenture unit and \$20,252,203 through the issuance of 20,252,203 special warrants at a price of \$1.00 per special warrant. All unexercised special warrants issued as part of the private placement were deemed to be automatically exercised on October 2, 2017. Upon such automatic exercise, each holder of a special warrant would receive one unit of the Company, which would separate into one common share and one common share purchase warrant (each a "**Unit Warrant**") immediately upon issue of the units. Each Unit Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$1.50 per common share at any time prior to 1:00pm (Vancouver time) on June 29, 2019, in accordance with the terms of the warrant indenture dated June 29, 2017 between the Company and Computershare Trust Company of Canada, as warrant agent. On September 27, 2017,

the Company obtained a receipt for its final short form prospectus (the "**September Prospectus**") filed with the securities regulatory authorities in each of the provinces of Canada, except Quebec. The September Prospectus qualified the distribution of the common shares and common share purchase warrants of the Company issuable in connection with the private placement offering.

On September 18, 2017, the Company announced its private placement offering of up to 35,000 convertible debenture units for a price of \$1,000 per convertible debenture unit and aggregate proceeds of up to \$35,000,000 (the "**September Offering**"). Each convertible debenture unit consisted of \$1,000 principal amount of 8% senior unsecured convertible debentures and 833 common share purchase warrants of the Company. Each common share purchase warrant, if exercised, enabled the holder to acquire one common share of the Company at an exercise price of \$1.20 per share within the 24 months following the private placement's closing date. On November 2, 2017, the Company announced the closing of the private placement offering and the issuance of the authorized 35,000 convertible debenture units.

On September 20, 2017, the Company announced that it entered an exclusive distribution alliance with the corporate owner of a national chain of independent pharmacies to develop and implement medical cannabis distribution and retail sale opportunities at some of its pharmacy locations.

On October 5, 2017, the Company announced that it entered a definitive agreement with Beleave Inc. ("**Beleave**") and Beleave's wholly owned operating subsidiary, Beleave Cannabis Corp. Pursuant to this agreement, the Company would provide Beleave with up to \$10,000,000 in non-dilutive debt financing by way of an instrument evidencing a debt obligation repayable in product equivalents (the "**D.O.P.E. Note**"). The proceeds of the D.O.P.E. Note were to be used by Beleave to fund the construction of an expansion facility which was to be situated adjacent to Beleave's current facility outside of Hamilton, Ontario. The Company later announced that it completed an initial advance of \$5,000,000 to Beleave pursuant to the D.O.P.E. Note on October 17, 2017.

On October 16, 2017, the Company announced that it entered into an exclusive strategic alliance with the corporate owner of a national chain of convenience stores to develop and implement cannabis distribution and retail sale opportunities at all of its affiliated convenience store locations.

On October 31, 2017, the Company acquired all of the issued and outstanding shares of privately owned RockGarden pursuant to the terms of a definitive share purchase agreement. Located in Carleton Place, Ontario, RockGarden is a Licensed Producer of cannabis under the ACMPR and was granted a Cultivation Licence on August 25, 2017. In connection with the acquisition, the shareholders of RockGarden became entitled to receive aggregate consideration of 27,499,912 common shares in the capital of the Company, subject to a statutory hold period of 4 months and 1 day from the date of issuance. Such common shares would be issued to the shareholders of RockGarden in the following manner: (i) 17,499,970 common shares upon closing of the acquisition; (ii) 4,999,971 common shares issued and held in escrow to be released to the shareholders of RockGarden upon RockGarden receiving a Sales Licence; and (iii) 4,999,971 issued and held in escrow to be released upon certain key employees satisfying certain performance obligations set out in the share purchase agreement.

On December 21, 2017, the Company announced that it entered into an Interim Agreement with FV Pharma Inc., ("**FV Pharma**") a Licensed Producer pursuant to the ACMPR, which received its Cultivation Licence on October 13, 2017. Under the terms of the Interim Agreement, the Company will develop all aspects of FV Pharma's cannabis cultivation facility in mutually agreed-upon staged phases. The Company will receive a 49.9% stream of all cannabis (or cannabis-derived products, including any immature cannabis plants and any cannabis trim) produced at the proposed facility, under partnership with the Company, in perpetuity. In exchange, the Company's management team would assist FV Pharma with all aspects of the design, development, financing,

build-out and operations of the proposed facility as well as the marketing, branding and distribution of the cannabis and cannabis-derived products generated by the proposed facility. The Company would also have one nominee appointed to the board of directors of FV Pharma and thereby participate in FV Pharma's governance. The Company later announced the execution of an associated Definitive Agreement with FV Pharma on March 5, 2018.

On December 22, 2017, the Company announced that it entered into a Definitive Agreement with its Streaming Partner, CannTx Life Sciences Inc. ("**CannTx**") to fund the construction of its cannabis production facility located in Puslinch, Ontario.

On December 22, 2017, the Company announced a private placement offering of convertible debenture units with a conversion price of \$1.55 per common share for aggregate gross proceeds of up to \$60,000,000. The Company later increased the offering to up to \$100,000,000 on January 8, 2018. Each convertible debenture unit was offered at a price of \$1,000 per convertible debenture unit and consisted of \$1,000 principal amount of 6% senior unsecured convertible debentures and 322 common share purchase warrants. Each common share purchase warrant would be exercisable to acquire one common share at an exercise price of \$1.80 per common share for a period of 24 months following the closing date of the financing. The unsecured convertible debentures bear interest from the closing date of the financing and mature 24 months after such date (the "**December Maturity Date**") and are convertible at the option of the convertible debenture holder at any time prior to the close of business on the day immediately preceding the December Maturity Date. The net proceeds received by the Company would be used to fund working capital and general corporate purposes. The Company later announced the closing of the private placement offering on January 18, 2018.

Events Subsequent to 2017

On January 9, 2018, the Company announced that it entered into an investment agreement with Inner Spirit Holdings Ltd. ("**Inner Spirit**"), as well as a strategic alliance agreement to govern the ongoing business relationship between the parties. Inner Spirit is the parent company of Spirit Leaf Inc. ("**Spirit Leaf**"), which is a prospective franchisor of legal retail cannabis dispensaries. Under the investment agreement, the Company acquired 15,000,000 common shares of Inner Spirit (the "**Inner Spirit Shares**"), representing approximately 18.5% of the outstanding Inner Spirit Shares. In exchange for the Inner Spirit Shares, the Company would provide Inner Spirit with: (i) a cash payment of \$350,000, (ii) 674,418 common shares of the Company, each with an issue price of \$2.15 per common share, and (iii) 1,250,000 common share purchase warrants of the Company, exercisable at \$2.53 per common share for a period of 24 months from the closing of the transaction. The common share purchase warrants are subject to certain vesting conditions related to Spirit Leaf achieving certain operational milestones. Under the terms of the strategic alliance agreement, the Company and Inner Spirit agreed to enter into a supply agreement granting the Company the exclusive right to supply up to 50% of Inner Spirit's annual inventory requirements for any cannabis, cannabis-infused or cannabis-derived products to be sold at Spirit Leaf's retail locations, as well as a mutually agreeable profit-sharing arrangement. The Company later announced that it closed the transaction on February 7, 2018. Pursuant to the investment agreement, the Company also exercised its pre-emptive right to acquire an additional 1,500,000 Inner Spirit Shares for \$150,000 and, as a result, currently holds approximately 15% of the total issued and outstanding Inner Spirit Shares.

On January 9, 2018, the Company announced that it filed a final short form base shelf prospectus with the securities regulatory authorities in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland and Labrador, New Brunswick, Nova Scotia and Prince Edward Island. The short form base shelf prospectus would allow the Company to offer, from time to time over a 25-month period, common shares, preferred shares, debt securities, subscription receipts, warrants and units with an aggregate value of up to \$100 million. The Company later announced that it amended, restated and refiled the final short form base shelf prospectus on March 2, 2018.

On January 11, 2018, the Company announced that it entered into an Interim Agreement with Level Ten Inc. ("**Level Ten**"), where by Level Ten would become a Streaming Partner to the Company. Pursuant to the Interim Agreement, the Company would assist Level Ten in obtaining a Cultivation Licence for its proposed cultivation facility to be located near Brantford, Ontario.

On January 15, 2018, the Company announced the launch of KoLab Project (formerly RockGarden). Upon receiving the necessary regulatory approvals, KoLab Project will offer an exclusive monthly subscription platform to authorized medical cannabis patients, which is made possible by the Company's extensive network of contacts in the cannabis industry.

On January 17, 2018, the Company announced that it entered into a binding interim supply agreement with Aphria Inc. (the "**Aphria Agreement**"), pursuant to which the Company would purchase cannabis, including dried cannabis and cannabis oil (collectively, the "**Aphria Cannabis Products**"), for distribution to federally legal international jurisdictions from Aphria Inc. Under the terms of the Aphria Agreement, Aphria Inc. will supply the Company with up to 60,000 kilograms of Aphria Cannabis Products between the date of the parties' agreement and February 1, 2022.

On January 26, 2018, the Company announced that it entered into an Interim Agreement with IDP Group Inc. and HMT Solutions Inc. (collectively, "**IDP**"). Pursuant to the Interim Agreement, IDP, via a newly formed subsidiary ("**CannabisCo**"), will become a Streaming Partner.

On January 30, 2018, the Company announced that it entered into an Interim Agreement with Inverell S.A. ("**Inverell**"), pursuant to which the Company will purchase 80% of the issued and outstanding common shares of Inverell on a fully diluted basis. Pursuant to the Interim Agreement, the shareholders of Inverell are entitled to receive aggregate consideration of USD\$15,000,000, to be paid as follows: (i) USD\$2,000,000 in cash the on closing of the transaction (the "**UG Closing**"); (ii) USD\$3,562,500 payable in common shares in the capital of the Company on UG Closing; and (iii) USD\$9,437,500 payable in common shares of the Company upon the achievement of certain milestones, including the successful registration of Inverell's cannabis genetics and the successful exportation of CBD products.

On February 16, 2018, the Company announced that it entered into an Interim Agreement with Peter Quiring, via a newly formed subsidiary ("**GreenhouseCo**"), to develop, construct and operate a greenhouse for cannabis cultivation in Leamington, Ontario, for which Mr. Quiring would act as Chief Executive Officer.

On March 1, 2018, the Company announced that it entered into Definitive Agreement whereby the Company provided Sundial Growers Inc. ("**Sundial**") with \$7,000,000 in non-dilutive debt financing by way of an instrument evidencing a debt obligation repayable by either the payment of a buy back amount or the delivery of cannabis products.

On March 15, 2018, the Company announced that it entered into a strategic alliance agreement (the "**Province Agreement**") with Ontario-based research and development firm, Honest Inc. (d/b/a Province Brands of Canada) ("**Province**"), whereby the Company would assist Province with the establishment and licensing of a cannabis facility focused on the research, development and commercialization of cannabis-based beverages. Pursuant to the Province Agreement, and subject to applicable laws, the Company will assist Province in obtaining the necessary licensing for Province to engage in the research, development and commercialization of cannabis-based beverages. In exchange, the Company will receive 2,068,284 preferred shares in the capital of Province, representing a 10% equity ownership interest in Province on a fully diluted basis, and to further the strategic alliance between the two companies, the Company will issue 303,030 common shares to Province. The Agreement shall last for at least 3 years and shall automatically renew for 1-year periods unless otherwise mutually terminated by the Company and Province.

On May 11, 2018, the Company announced the closing of its previously announced share purchase agreement with RCI, pursuant to which the Company acquired all of the issued and outstanding shares of RCI (the "**RCI Shares**"), upon the completion of which, RCI became a wholly-owned subsidiary of the Company. Located in Kentville, Nova Scotia, RCI was a privately-owned, late-stage LP Applicant under the ACMPR, currently in the COR stage, and is constructing a 27,700-square-foot purpose-built cannabis cultivation facility. As consideration for the RCI Shares, the shareholders of RCI received an aggregate consideration of 9,395,968 common shares in the capital of the Company, issued to the RCI shareholders as follows: (i) 5,369,126 Company common shares upon closing of the transaction; (ii) 2,013,421 issued and held in escrow to be released to the RCI shareholders upon RCI receiving a Cultivation Licence; and (iii) 2,013,421 issued and held in escrow to be released to the RCI shareholders upon RCI receiving a Sales Licence. The shareholders of RCI would also enter associated lock-up agreements.

On May 14, 2018, the Company announced that it had entered into a definitive licensing agreement (the "**Dixie Agreement**") with Dixie Brands, Inc. ("**Dixie**"), pursuant to which the Company will have the exclusive licence to Dixie's intellectual property, product branding and formulation methodologies related to over 100 cannabinoid-infused Products (the "**Dixie IP**") in Canada and Mexico. Under the Dixie Agreement, Dixie granted the Company an exclusive licence to use the Dixie IP, including Dixie's proprietary formulations and preparation methods as well as the associated trademarks, in Canada and Mexico for an initial term of 10 years (the "**Dixie Term**"). The Dixie Agreement provides the Company with an option to renew the Dixie Term for up to two additional five-year periods. The Company plans to use its licence for the Dixie IP to develop, manufacture, distribute and sell Dixie-branded products in Canada and Mexico, as and when those products are permitted to be sold pursuant to applicable laws.

On May 17, 2018, the Company announced the closing of its previously announced acquisition agreement (the "**Acquisition Agreement**") to acquire all outstanding securities of Dosecann. Pursuant to the Acquisition Agreement, the Company acquired all of the outstanding securities of Dosecann by way of a "three-cornered amalgamation" (the "**Dosecann Acquisition**") for an aggregate purchase price of up to \$38,000,000, payable in common shares of the Company to the holders of the Dosecann securities (the "**Consideration Shares**"), subject to the satisfaction of certain post-closing time and performance-based milestones. As part of the Dosecann Acquisition, all outstanding convertible securities of Dosecann have either been converted into Dosecann common shares and exchanged for Consideration Shares or have otherwise been exchanged for convertible securities of the Company based on the exchange ratio used in the Dosecann Acquisition.

The Company has issued 24,494,496 Consideration Shares at a deemed price of \$1.47, of which 9,630,947 are subject to performance-based milestone release. In addition, the Company has assumed the obligations of the existing Dosecann common share purchase warrants, resulting in the issuance of 5,071,248 common share purchase warrants in the capital of the Company (the "**Replacement Warrants**"). Each whole Replacement Warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.962 until January 2020. As a result of the closing of the Acquisition, Dosecann is now a wholly-owned subsidiary of the Company.

On May 22, 2018 the Company announced that it has entered into an agreement with a syndicate of underwriters, led by BMO Capital Markets, pursuant to which the underwriters have agreed to buy on a bought deal basis, 71,500,000 units of the Company at a price of \$1.40 per unit, representing aggregate gross proceeds to the Company of approximately \$100 million. Each unit consist of one common share and one-half of one common share purchase warrant, with each whole common share purchase warrant entitling the holder thereof to purchase one common share at a price of \$1.85 per common share for a period of 24 months following the closing date.

THE BUSINESS

Historical Business of the Company

Historically, the Company's investments have been in 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).

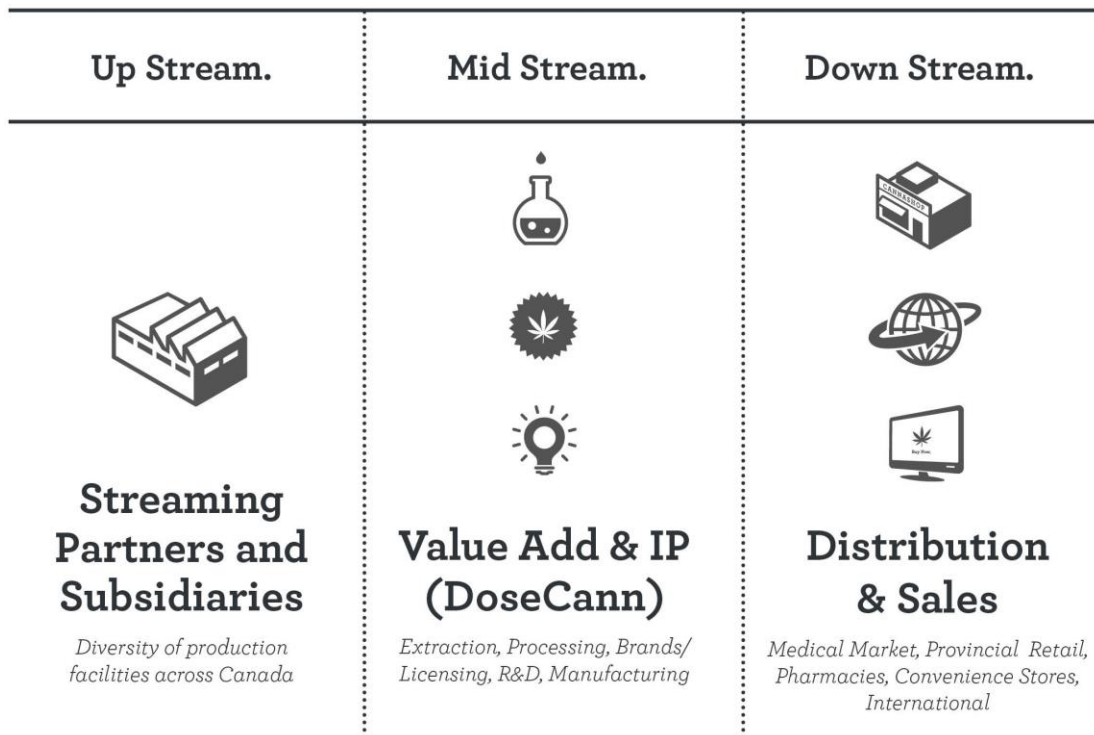
Updated Investment Strategy

In the third quarter of 2016, the Company commenced its search for investment opportunities outside of holding interests in the DP Companies and identified the cannabis industry to be of interest for future investments. On May 3, 2017, the Company completed a transaction with PSC whereby the Company acquired all of PSC's interests in the Initial Streaming Agreements. Throughout 2017 and 2018, the Company has explored and pursued additional investment opportunities in the cannabis industry separate from the Initial Streaming Agreements.

Investment Verticals

The Company's principal product is cannabis and cannabis Products that it purchases pursuant to its Streaming Agreements and produces through its subsidiaries. The Company's business model is premised on building a strategic portfolio of investments to create a platform that spans across three distinct verticals of the cannabis supply chain:

- 1) The "**Upstream**" segment consists of domestic and international cannabis cultivation assets, including the Company's Streaming Partners and certain subsidiaries.
- 2) The "**Midstream**" segment consists of various value enhancing assets and the development of intellectual property associated with those assets, such as extraction, processing, branding and licensing, product manufacturing, and research and development. It is anticipated that the Midstream segment of the Company's business will produce various cannabis Products such as pharmaceuticals, nutraceuticals and consumer packaged goods all as and when permitted by applicable laws.
- 3) The "**Downstream**" segment consists of the Company's various domestic and international distribution channels. The Company aims to establish several distribution channels including provincially approved retailers, pharmacies and direct to consumer sales as well as distribution channels in Federally legal jurisdictions, as permitted by applicable laws.



Specialized Skill and Knowledge

The Company's business requires specialized skills and knowledge. The Company is dependent on the services of a small number of key executives who are highly skilled and experienced. See "*Directors and Officers*".

Competitive Conditions

As of the date of this AIF, Health Canada has a total of 104 companies on its list of Licensed Producers. However, only 48 have been issued a Sales Licence. There are also many LP Applicants that are pursuing licensing under the ACMPR. The Company anticipates increases in the level of competition in the industry as new competitors enter the market. The principal aspects of competition are anticipated to be the price and quality of the cultivated cannabis and cannabis Products.

Employees

As of the date of this AIF, the Company has approximately 59 employees.

Upstream Portfolio

Subsidiaries

The Company currently has two subsidiaries that form part of the "Upstream" segment. A brief description of each is contained below. The proposed size and production volume of each facility is based on currently available information and estimates and, as a result, is subject to change. See "*Risk Factors – Size of Facilities – Production Capacity*".

KOLAB PROJECT

Facility type	Indoor
Licence status	Cultivation Licence
Equity ownership	100%
Est. Facility Size	Phase I - 10,000 sq. ft. Phase II – 10,000 – 18,000 sq. ft.
Cannabis Production (grams per annum)	Phase I – 180,000 Phase II – 360,000

The Kolab Project is the Company's wholly owned subsidiary located in Cavelton Place, Ontario. KoLab Project is currently operating under a Cultivation Licence. Upon receiving necessary approvals for the sale of cannabis, KoLab Project will offer a curated experience to medical cannabis patients through an exclusive monthly subscription model. KoLab Project will seek to differentiate their offering by sourcing unique products from the Company's Upstream platform and partnerships.

ROBINSON'S CANNABIS

Facility type	Indoor
Licence status	LP Applicant
Equity ownership	100%
Est. Facility Size	27,700 sq. ft.
Cannabis Production (grams per annum)	3,600,000

RCI (formerly Cannahort Agriculture Ltd.) was a former Streaming Partner of the Company. RCI is now a wholly owned subsidiary of Cannabis Wheaton and a late-stage LP Applicant located in Kentville, Nova Scotia. RCI is currently in the process of constructing a 27,700 square foot indoor facility for the production of high quality craft cannabis.

Streaming Agreements

The material rights and obligations of the Company under a typical Streaming Agreement are summarized below. Although generally speaking, the material provisions of each agreement are similar, readers are cautioned that each agreement has been tailored to fit the unique circumstances of each transaction based on the specific business particulars of each Streaming Partner. While we have attempted to provide a reasonable summary of the material terms of the Company's current Streaming Agreements, we urge readers of this AIF not to place undue reliance on this summary as there are a number of factors unique to each business and transaction which require different considerations in each of the agreements. The summary provided below is presented for the purpose of assisting our investors in understanding our operations and our arrangements with our Streaming Partners and may not be appropriate for other purposes.

Overview

The Company will generally first enter into an Interim Agreement, pursuant to which, the Company agrees that upon: (a) the satisfaction of certain conditions, including due diligence; (b) the Company's receipt and approval of the Streaming Partner's construction budget and timeline for the construction and/or expansion of the Streaming Partner's facility; (c) receipt of applicable Health Canada and other regulatory approvals; (d) availability of capital on the part of the Company; and (e) the entering into of a Definitive Agreement, to (i) subscribe for shares of the Streaming Partner (and/or a Public Parent of the Streaming Partner, if applicable, or a special purpose subsidiary of the Streaming Partner established to acquire and develop a new facility to be financed, in whole or in part, by the Company) at an agreed upon valuation (the "**Equity Component**"); and (ii)

for the Company to purchase from the Streaming Partner, and the Streaming Partner to sell to the Company, a fixed percentage of the Streaming Partner's cannabis production yield (with a current average across all Streaming Agreements of 40% and a current upper limit of 50%) or, in certain instances a fixed number of grams of cannabis (or gram equivalents of cannabis products) per annum, at either a fixed price (with a current average upper limit of \$2.50 per gram plus applicable shipping costs) or a cost-plus price (the "**Offtake Price**") for periods ranging from 10 to 99 years (the "**Yield Component**"). The majority of the current Streaming Agreements provide an Offtake Price equal to the Streaming Partner's cost plus 10%.

The Company's primary objective is to: (i) generate predictable revenue streams through Streaming Payments received from each Streaming Partner in respect of such Streaming Partner's sale of the applicable Yield Component on the Company's behalf; (ii) work with each Streaming Partner to increase the value of the respective Equity Components; and (iii) increase the Company's cash flow per share by making accretive investments into Streaming Partners. As the Company does not require a principal repayment or return of capital from Streaming Partners, the Streaming Agreements are designed to allow the Company's Streaming Partners to focus on long-term objectives rather than short-term objectives that may be of additional importance if such Streaming Partners were utilizing traditional equity sponsors or restrictive debt financing. The Streaming Agreements do not prevent the Streaming Partner from undertaking a future sale of the company, obtaining financing from third parties or engaging in go-public transactions and typically provide for far fewer restrictive covenants than traditional debt financing.

In addition to subscribing for equity, entering into Streaming Agreements, and providing the Streaming Partners with access to the Company's resources, the Company closely monitors the cannabis industry in which the Streaming Partners operate in order to identify industry-wide trends and variances and discuss such trends and variances with the management of each Streaming Partner. The Company also generally engages in discussions with management to ensure the Company remains aware of current business conditions which allows the Company to monitor each Streaming Partner without the necessity of involving itself in the day to day business operations.

See "*Streaming Partners*" below for a more detailed description of the current Streaming Partners.

The proceeds received by each Streaming Partner from the subscription of the Equity Component and the Yield Component are to be used by such Streaming Partner for construction financing for such Streaming Partner's current or proposed cannabis facilities (pursuant to an agreed-upon construction budget and timeline), may also include the purchase of land and, in some limited instances, short-term operating capital. In certain situations, the Company may also have the right to subscribe for additional Equity and Yield Components in connection with any expansion of a facility or the construction of a new facility.

Company's Rights and Obligations

The Company is granted certain rights under the Yield Component, including the right, upon the commencement of Product sales by the applicable Streaming Partner, to receive periodic cash payments from each Streaming Partner in amounts equal to the price paid by any Streaming Partner customer for any cannabis Product subject to the Yield Component, less the Offtake Price (each, a "**Streaming Payment**"). The Company also has the right to facilitate wholesale transfers of cannabis Product subject to the Yield Component from a Streaming Partner to other legally permitted purchasers. Under certain Streaming Agreements, the Company may, if requested by a Streaming Partner, facilitate wholesale transfers of Products that are not subject to the Yield Component to other legally permitted purchasers in exchange for a facilitation fee payable by the Streaming Partner to the Company.

There can be no assurance that all or any of the Streaming Agreements will be fully funded and, if funded, that Streaming Partners will ever pay the Company any Streaming Payments. See "*Risk Factors – Risks Related to the*

Cannabis Industry – Licensing Risk", "Risk Factors – Risks Relating to the Company – Interim Agreements not Definitive", "Risk Factors – Risks Related to the Cannabis Industry – Regulatory Risks" and "Risk Factors – Risks Related to the Cannabis Industry – Change in Laws, Regulations and Guidelines".

Governance and Reporting

Generally, each Streaming Agreement will provide the Company with either: (i) a right to nominate a director to the board of directors of the Streaming Partner (or to the board of directors of a special purpose subsidiary of the Streaming Partner, or if the Streaming Partner has a Public Parent, the board of directors of such Public Parent); or (ii) a right to have an observer attend board of director meetings and receive, subject to applicable laws, the same information provided to each director in connection with such meeting.

The Company strives to provide less dilutive or alternative financing options in an industry where traditional loan financing is scarce for LPs and LP Applicants. The Company's investment strategy is centered on the belief that business decisions are best made by the people who have built the successful companies that the Company proposes to finance. As a result, the Company generally has limited voting rights and, accordingly, a limited ability to exercise direct control and influence over the operations of its Streaming Partners. See *"Risk Factors – Risks Related to the Company – Lack of Control Over Operations of Streaming Partners"*.

Generally, each Streaming Agreement includes the obligation of the parties to form a joint relationship committee (the "JRC") whereby the Company may make certain proposals to the JRC to assist each Streaming Partner in the operation of its business. In addition, each Streaming Partner is required to provide certain data and reports to the Company to assist with keeping the Company apprised of such Streaming Partner's operations and sales activities.

Interim Agreement Closing Conditions

All funding obligations of the Company under the Interim Agreements are subject to customary conditions, including due diligence, the Company's receipt and approval of each Streaming Partner's construction budget and timeline for the construction and/or expansion of their respective facilities, receipt of applicable Health Canada and other regulatory approvals by the Streaming Partner, availability of capital on the part of the Company, as well as the entering into of Definitive Agreements with each Streaming Partner. There is no assurance that the Company will proceed with funding all existing Streaming Partners, nor as to the anticipated timing of any such funding. See *"Risk Factors – Risks Relating to the Medical Cannabis Industry – Licensing Risk", "Risk Factors – Risks Relating to the Medical Cannabis Industry – Regulatory Risks", "Risk Factors – Risks Relating to the Company – Interim Agreements not Definitive", and "Risk Factors – Risks Relating to the Company – Change in Laws, Regulations and Guidelines"*.


Streaming Partners

As of the date of this AIF, the Company has active commercial arrangements with 15 different Streaming Partners. The Company's current Streaming Partners are:

- ABcann Global Corporation;
- 2368523 Ontario Limited (d/b/a Curative Cannabis);
- Beleave Inc.;
- Cannabco Pharmaceuticals Inc.;
- CannTx Life Sciences Inc.;

- Green Relief Inc.;
- FV Pharma Inc.;
- IDP Group Inc.;
- Level Ten Inc.;
- Lotus Ventures Inc.;
- GreenhouseCo (Peter Quiring);
- PlanC BioPharm Inc.;
- Solar Growers Corp.;
- Sustainable Growth Strategic Capital Corp.; and
- Sundial Growers Inc.

A description of each of these Streaming Partners and their respective businesses and operations is provided below. The information is based on publicly available information and information provided by the management teams of each of the Company's Streaming Partners, as well as management's knowledge, information and belief in respect of each Streaming Partner. The proposed size of each Streaming Partner's facility and expected production output is subject to change. In addition, the Company's proposed Yield Component allocations noted below assume the respective facilities being fully built out and operational. The Company's Equity Component is based on currently available information and is subject to change. Although the material provisions of each Streaming Agreement are generally similar, readers are cautioned that each Streaming Agreement has been tailored to fit the unique circumstances of the Company's transaction with, and the business of, the particular Streaming Partner. **The summary below is presented for the purpose of assisting the reader in understanding the Company's business strategy and the Company's arrangements with its current Streaming Partners and may not be appropriate for other purposes.**

	Facility type	Indoor
	Licence status	Cultivation and Sales Licence
	Agreement Status	Interim Agreement
	Contribution summary	Initial contribution - \$15 million
	Additional contribution	\$15 million investment + \$18 million to finance expansion facility
	Equity ownership	6,666,666 ABcann Shares ¹
	CBW Funded Facility	50,000 sq. ft.
	CBW Allocation (grams per annum)	8,000,000

On May 29, 2017, the Company announced it had entered into an Interim Agreement with ABcann, subject to the completion of customary closing conditions and entering into a Definitive Agreement, to fund the construction of a minimum of an additional 50,000 square feet of cultivation space (the "**Financed Expansion**

¹ Indicates the Company's current ownership of ABcann. The Company would receive an additional Equity Component upon entering into a Definitive Agreement.

Area") at ABCann's proposed Kimmett Facility. The Financed Expansion Area will be in addition to ABCann's originally planned 100,000 square foot Kimmett Facility.

Pursuant to the terms of the Interim Agreement, the Company agreed to invest \$30 million in ABCann, of which an initial investment of \$15 million was completed on August 1, 2017, pursuant to which the Company acquired 6,666,666 common shares in the capital of the ABCann (each, an "**ABCann Share**") at a price of \$2.25 per ABCann Share, and a second \$15 million investment was to be completed on the earlier of 10 days following the raising of an aggregate of \$150 million by the Company or March 31, 2018.

In March 2018, the Company and ABCann entered into an amendment to the Interim Agreement pursuant to which they agreed to extend the deadline for completion of the second \$15 million investment to the date that is within 60 days of the Company accepting the ABCann's proposed construction budget and timeline for the Kimmett Facility (the "**Kimmett Plan**"), a draft of which must be delivered to the Company for review by September 19, 2018. Assuming the Kimmett Plan is accepted by the Company, the Company has agreed to subscribe for \$15 million worth of special warrants of ABCann, at a price per special warrant equal to the greater of (i) two times the then trading price of the ABCann Shares and (ii) \$2.25, and with each special warrant entitling the holder to acquire one ABCann Share for no additional consideration.

The Interim Agreement, as amended, provides that, upon completion of the full \$30 million investment by the Company, the Company will provide all necessary funding to complete the construction of the Financed Expansion Area in accordance with the Kimmett Plan. In return, the Company will be granted access and influence over 50% of the actual cultivation yield generated by the Financed Expansion Area, which shall be prorated across each lot or batch of each strain grown in the Financed Expansion Area (the "**ABCann Allocation**"), together with certain ancillary rights. The Company's entitlement to the ABCann Allocation will not begin until after the completion of the second \$15 million investment by the Company. As at the date hereof, the Kimmett Plan is under review by ABCann and has not yet been delivered to the Company. Unless the Kimmett Plan is provided by ABCann to the Company in the time required, and the Company approves the Kimmett Plan, there can be no assurance that the second \$15 million by the Company investment will be completed on the terms contemplated or at all, or that the Financed Expansion Area will be completed.



Facility type	Greenhouse
Licence status	Cultivation and Sales Licence (New site will be a "Second Site")
Agreement Status	Interim Agreement
Contribution summary	Up to \$5 million (land purchase)
Additional contribution	TBD
Equity ownership	49.9% of BeleaveCo
Est. Facility Size	75,000 sq. ft.
CBW Allocation (grams per annum)	15,000,000

The Company's Interim Agreement with Beleave contemplates the incorporation of a Beleave special purpose subsidiary ("**BeleaveCo**") created to purchase the proposed site for the construction of a new Beleave facility. The Interim Agreement provides that, pending the completion of customary closing conditions and entering into a Definitive Agreement, the Company will fund up to \$5,000,000 for the purchase of the proposed site. In addition, the Company would fund an amount to be determined and agreed to by Beleave and the Company for the purposes of constructing the proposed facility, in accordance with an agreed upon construction budget and timeline.



Facility type	Indoor
Licence status	LP Applicant
Agreement Status	Interim Agreement
Contribution summary	Baker facility - \$8 million
Additional contribution	Hale facility - \$16 million
Equity ownership	~15% (assuming both facilities are funded)
Est. Facility Size	Baker facility - 11,520 sq. ft. Hale facility - 34,560 sq. ft.
CBW Allocation (grams per annum)	Baker facility - 1,300,000 Hale facility - 4,000,000

The Company's Interim Agreement contemplates an aggregate contribution of up to \$8,000,000 for the Baker facility and up to \$16,000,000 for the Hale facility, pending the completion of customary closing conditions and entering into a Definitive Agreement.



Facility type	Indoor
Licence status	LP Applicant
Agreement Status	Definitive Agreement
Contribution summary	Phase I - \$5 million
Additional contribution	Phase II - \$7 million
Equity ownership	~8.2%
Est. Size of Facility	Phase I - 13,120 sq. ft.
CBW Allocation (grams per annum)	Phase I - 800,000

On December 22, 2017, the Company entered into a Definitive Agreement with CannTx to fund the construction of its facility in Puslinch, Ontario. CannTx is an LP Applicant that is currently in the COR stage of the licensing process.

The Company has provided CannTx with \$5,000,000 for the initial costs for the Phase I construction of the 13,120 square foot facility. In addition, The Company will provide CannTx with \$7,000,000 for the Phase II expansion, subject to the parties' agreement on the construction budget and timeline. The Phase II expansion is expected to increase the cultivation area to 24,000 square feet by using innovative vertical grow technology.

Curative Cannabis

Facility type	Phase I Indoor Phase II Greenhouse
Licence status	LP Applicant
Agreement Status	Interim Agreement
Contribution summary	Phase I - up to \$12.1 million
Additional contribution	Phase II - \$7 million
Equity ownership	~46%
Est. Size of Facility	Phase I - 21,000 sq. ft.
CBW Allocation (grams per annum)	Phase I - 1,600,000

The Company's Interim Agreement with 2368523 Ontario Limited (d/b/a) Curative Cannabis ("**Curative**") contemplates an aggregate contribution by the Company of up to \$12,100,000 to fund Curative's Phase I facility, pending the completion of customary closing conditions and entering into a Definitive Agreement. Following completion, the Company may provide additional capital allocated to fund Curative's Phase II expansion, which is currently projected to be a greenhouse expansion.



Facility type	Indoor
Licence status	Cultivation and Sales Licence
Agreement Status	Interim Agreement
Contribution summary	Initial Contribution - up to \$20 million
Additional contribution	Expansion Contribution - up to \$200 million
Equity ownership	Up to 24.45% (assuming the completion of the Initial Contribution and Expansion Contribution)
Est. Size of Facility	Initial Contribution - 210,000 sq. ft. Expansion Contribution - 1,400,000 sq. ft.
CBW Allocation (grams per annum)	115,500,000 upon completion of the Initial Contribution and Initial Facility and the Expansion Contribution and Expansion Facility, as defined below.

The Company's Interim Agreement with Green Relief contemplates contributions to be provided as follows, subject to the completion of customary closing conditions and entering into a Definitive Agreement:

- up to \$20,000,000 to be provided upon the Company accepting Green Relief's construction budget and timeline for the construction of a new facility (the "**Initial Facility**") on the existing Green Relief site in accordance with the funding schedule set out in such construction budget and timeline (the "Initial Contribution"); and
- up to \$200,000,000 to be provided upon the Company accepting Green Relief's construction budget and timeline for the construction of an additional new facility (the "**Expansion Facility**") on the existing Green Relief site in accordance with the funding schedule set out in such construction budget and timeline (the "Expansion Contribution").

As of the date of this AIF, the Company has not received Green Relief's proposed construction budget and timeline for the Initial Facility or the Expansion Facility and as a result the Company and Green Relief are actively negotiating an amendment to the Interim Agreement whereby the two parties would enter into an alternative transaction.



Facility type	Indoor
Licence status	Cultivation Licence
Agreement Status	Definitive Agreement
Contribution summary	Phase I - \$75 million
Additional contribution	TBD
Equity ownership	TBD
Est. Size of Facility	Phase I - 200,000 sq. ft.
CBW Allocation (grams per annum)	Phase I - 18,750,000

On March 5, 2018, the Company entered into a Definitive Agreement with FV Pharma, a Licensed Producer having received its Cultivation Licence on October 13, 2017. The Company is assisting FV Pharma in design, development, financing, build-out and operations of the FV Pharma facility as well as the marketing, branding and distribution of the cannabis and cannabis-derived products generated by the facility. The FV Pharma facility hosts 620,000 square feet of building space and is famously known as the former KRAFT® food manufacturing facility. Pursuant to the agreement, the Company will receive a 49.9% stream of all cannabis produced at the facility, under partnership with the Company, in perpetuity.

On March 16, 2018, the Company provided an update with respect to the first phase of the FV Pharma development. The Company determined that the first phase development of the facility will be a retrofit of the existing building to construct approximately 100,000 square feet of cultivation and ancillary space. The Company and FV Pharma are actively working to finalize the funding and timing associated with the development of initial phase of development which is estimated to cost approximately \$35,000,000. It is currently anticipated that initial phase of development will be completed and licensed within 18 months.

Based on the design, construction budget and timeline of the initial phase of development, the Company and FV Pharma will continue to develop the phased-in construction approach for the existing facility. The second phase and third phase developments of the existing facility will be a further retrofit of the existing building and will be an aggregate of approximately 200,000 additional square feet of cultivation and ancillary space. The Company expects to construct second and third phases of development will occur concurrently with the initial phase of development and anticipates that construction will be completed on an expedited basis subject to the Company's and FV Pharma's determination of construction efficiency, facility operation, regulatory approvals, market demand and availability of financing. The concurrent construction of the various phases of development will allow the Company to significantly reduce the costs of construction for the second and third phases of development by, among other things, efficiently managing the design, labour and construction material costs for such phases.

On May 15, 2018, the Company provided a further update with respect to the first phase of FV Pharma development. The Company announced that it has chosen Cornerstone Builders Ltd. as the design builder for the FV Pharma facility, a specialist builder in the commercial and industrial foodservice design build projects. The Company noted that it expects to commence construction on the initial 200,000 square feet of cultivation and ancillary space within the next 30 days. The Company anticipates that the 200,000 square feet will be ready for segmented review by Health Canada by the end of December 2018. As a result, pending regulatory approval, the Company expects to plant the first harvest of the new segment by the end of January 2019.

GreenhouseCo (Peter Quiring)	Facility type	Hybrid Greenhouse
	Licence status	Early Stage LP Applicant
	Agreement Status	Interim Agreement
	Contribution summary	Phase I - \$85 million
	Additional contribution	TBD
	Equity ownership	45%
	Est. Size of Facility	Phase I - 1,400,000 sq. ft.
	Projected output (grams per annum)	155,000,000 ²

² Projected production output is based on the entire facility at full operation, which will be a joint venture between the parties.

On February 16, 2018, the Company entered an Interim Agreement with Peter Quiring via a newly formed subsidiary "GreenhouseCo", subject to the completion of customary closing conditions and entering into a Definitive Agreement, to develop, construct and operate a greenhouse in Leamington, Ontario with Mr. Quiring acting as Chief Executive Officer. GreenhouseCo initially plans to develop 1.4 million square feet of greenhouse (Phase I), constructed by South Essex Fabricating with access to approximately 27 megawatts of electricity. The GreenhouseCo facility may also be expanded up to a total of 2.8 million square feet of greenhouse space.



Facility type	Indoor
Licence status	Early Stage LP Applicant
Agreement Status	Interim Agreement
Contribution summary	Phase I - \$12 million
Additional contribution	TBD
Est. Facility Size	Phase I - 100,000 sq. ft.
Equity ownership	20%
CBW Allocation (grams per annum)	30% Yield

On January 26, 2018, the Company entered an Interim Agreement with IDP via a newly formed subsidiary "CannabisCo". IDP plans to operate out of the former Nestlé® Canada plant in Chesterville, Ontario that rests on 60 acres of land and hosts an existing 373,000 square feet of building space. Subject to customary closing conditions and entering into a Definitive Agreement, the Company will provide IDP with \$12,000,000 for initial costs in Phase I construction of approximately 100,000 square feet of cultivation space.

Level 10 Inc.

Facility type	Greenhouse
Licence status	Early Stage LP Applicant
Agreement Status	Interim Agreement
Contribution summary	Phase I - \$40 million
Additional contribution	TBD
Equity ownership	20%
Est. Facility Size	Phase I - 278,000 sq. ft.
CBW Allocation (grams per annum)	9,500,000

The Company's Interim Agreement with Level Ten provides that the Company will assist Level Ten in obtaining its Cultivation and Sales Licence for Level Ten's proposed greenhouse near Brantford, Ontario. Pending the completion of customary closing conditions and entering into a Definitive Agreement, the Company will fund construction costs for the development of Phase I pursuant to an agreed upon construction budget and timeline.



Facility type	Indoor
Licence status	LP Applicant
Agreement Status	Interim Agreement
Contribution summary	Phase I - \$5.0 million
Additional contribution	Phase II - \$7.0 million
Equity ownership³	1,800,000 common shares 909,090 common share purchase warrants
Est. Size of Facility	Phase I - 26,667 sq. ft.
CBW Allocation (grams per annum)	Phase I - 2,500,000

Pending the completion of customary closing conditions and entering into a Definitive Agreement, the Company's Interim Agreement with Lotus contemplates an aggregate contribution of up to \$5,000,000 upon the acceptance of Lotus' construction budget and timeline. The Company also has a right of first refusal to finance any proposed expansion of Lotus' facility within certain pre-determined parameters in an amount up to \$7,000,000.

On February 8, 2018, the Company participated in Lotus' private placement where the Company subscribed for 1,818,181 common shares of Lotus and 909,090 common share of Lotus purchase warrants of Lotus for the subscription price of \$1,000,000.



Facility type	Hybrid Greenhouse
Licence status	LP Applicant
Agreement Status	Interim Agreement
Contribution summary	Initial contribution - \$9 million
Additional contribution	TBD
Equity ownership	30%
Est. Size of Facility	30,000 sq. ft.
CBW Allocation (grams per annum)	1,500,000

The Company's Interim Agreement with PlanC BioPharm Inc. ("**PlanC**") contemplates a contribution of \$9,000,000 to PlanC's initial facility, pending the completion of customary closing conditions and entering into a Definitive Agreement. Following completion, the Company may provide additional capital allocated to expand the initial facility.

³ Indicates the Company's current ownership of Lotus. The Company would receive an additional Equity Component upon entering into a Definitive Agreement.


<i>Cannoe Cannabis Corp.</i>	Facility type	Indoor
	Licence status	Early Stage LP Applicant
	Agreement Status	Interim Agreement
	Contribution summary	\$30 million
	Equity ownership	30%
	Est. Size of Facility	Phase I - 65,000
	CBW Allocation (grams per annum)	Phase I - 5,500,000 grams per annum

On February 15, 2018, the Company entered an Interim Agreement with Restoration Lands Inc. via a newly formed subsidiary under the proposed name "Cannoe Cannabis Corp." ("**Cannoe**"). Cannoe plans to operate out of its current facility located in Coldstream, British Columbia (the "**Cannoe Facility**"). The Cannoe Facility rests on 23 acres of industrial land and hosts an existing 440,000 square feet of building space. Subject to customary closing conditions and entering into a Definitive Agreement, the Company will provide Cannoe with \$30,000,000 for the initial costs of Phase I construction of approximately 65,000 square feet.

<i>Sustainable Growth Strategic Capital Corp.</i>	Facility type	Indoor
	Licence status	Early Stage LP Applicant
	Agreement Status	Interim Agreement
	Contribution summary	None
	Equity ownership	20%
	Est. Size of Facility	Phase I - 145,000
	CBW Allocation (grams per annum)	30% Yield

On December 18, 2018, the Company entered an Interim Agreement with Sustainable Growth Strategic Capital Corp. ("**SGSC**"). Pending the completion of customary closing conditions and entering into a Definitive Agreement, the Company will assist SGSC in obtaining a Cultivation and Sales Licence for its energy-efficient facility located in Scarborough, Ontario. The Company will also assist in developing the facility, estimated to be approximately 145,000 square feet upon completion, with the capacity for a 200,000 square foot expansion. As at the date of this AIF, SGSC has not provided the Company with the materials necessary to pursue a Cultivation and Sales Licence.

Other Financial Instruments

	Facility type	Indoor
	Licence status	Cultivation and Sales Licence
	Agreement Status	Definitive Agreement
	Contribution summary	Up to \$10 million
	Current contribution	\$5 million advanced
	Repayment Terms	Proceeds from the sale of 1,275,125 grams

The Company has agreed to provide Beleave with up to \$10,000,000 in non-dilutive debt financing by way of the D.O.P.E. Note—an instrument evidencing a debt obligation repayable in product equivalents. The proceeds of

the D.O.P.E. Note will be used by Beleave to fund the construction of an expansion facility which will be situated adjacent to Beleave's current facility outside of Hamilton, Ontario.

On October 17, 2017, the Company provided Beleave with the initial advance of \$5,000,000 pursuant to the D.O.P.E. Note for a period of 24 months. Based on a \$5,000,000 principal amount, the Company will receive the proceeds from the sale of 1,275,125 grams of cannabis sold by Beleave. Until the D.O.P.E. Note is repaid in full, the proceeds from 85% of all grams of dried cannabis sold by Beleave will be delivered to the Company 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 D.O.P.E. Note maturity date, any principal amount outstanding at such time will be automatically increased by 10% and the maturity date will be extended by 6 months.



Facility type	Indoor
Licence status	Cultivation and Sales Licence
Agreement Status	Definitive Agreement
Contribution summary	\$7 million
Repayment Terms	Proceeds from 3,500,000 grams ⁴

On March 1, 2018, the Company entered into a Definitive Agreement with Sundial to provide Sundial with \$7,000,000 in non-dilutive debt financing by way of an instrument evidencing a debt obligation repayable by either the payment of a buy back amount or the delivery of cannabis product (the "**Note**"). The proceeds of the Note will be used by Sundial to add to its current funding for the construction of a new 545,000 square foot state of the art cultivation facility located in the Town of Olds, Alberta.

Under the terms of the Note, the Company advanced \$7,000,000 to Sundial for a period of 6 months (the "**Note Maturity Date**"). Sundial will repay the Note either by a cash payment, through the delivery of an agreed upon volume of dried cannabis produced by Sundial or through a combination of cash and cannabis. If the Note is not repaid in full on or prior to the Note Maturity Date, Sundial will have the option to extend the Maturity Date by a further six months upon paying the Company a penalty amount.

Midstream Portfolio

The Company's management believes it is important to strategically invest in the "Midstream" portion of the cannabis supply chain in order to be able to add value to the base cannabis inputs derived from the "Upstream" portion of the Company's platform. Accordingly, the Company has explored opportunities for large scale extraction, distillation, formulation and product development and has pursued several investments and certain commercial arrangements in the "Midstream" segment, as described below.

⁴ The Note shall be repaid by the delivery of 3,500,000 grams of product, the payment of \$7,840,000 (total product multiplied by \$2.24 per gram), or a combination of the two. If the payment obligations are not repaid in full, Sundial shall have the option to extend the maturity by 6 months upon paying the Company a penalty of \$840,000.



Dosecann

On May 17, 2018, the Company completed its acquisition of all outstanding securities of Dosecann, a late-stage Licensed Dealer applicant. Dosecann is currently completing the buildout of a 42,000 square foot facility. Upon receipt of a Licensed Dealer's licence, Dosecann will serve a critical role in the "Midstream" segment of the Company's platform. Dosecann will be the Company's primary facility for various value enhancing activities such as extraction, processing, branding and licensing, product development and manufacturing, research and development, and various international opportunities. The Company also intends to utilize the Dosecann facility for the commercialization of various cannabis products available under the Company's recently announced license agreement with Dixie Brands, Inc., as permitted by applicable laws.



Province Brands

Pursuant to the Province Agreement, and subject to applicable laws, the Company will assist Province in obtaining the Federal licensing necessary for Province to engage in the research, development and commercialization of cannabis-based beverages. The Company and Province have also agreed to explore and collaborate on further commercial opportunities including supply and offtake arrangements, cannabis genetics development and refinement, co-branding opportunities, white-label opportunities, development of intellectual property and licensing as well as international distribution opportunities.



Dixie Brands

The Company has acquired the exclusive licence to Dixie's intellectual property, product branding and formulation methodologies related to over 100 cannabinoid-infused products as well as the associated trademarks, being the Dixie IP, in Canada and Mexico (the "Territory").

Pursuant to the Dixie Agreement, Dixie granted the Company an exclusive licence to use the Dixie IP, in the Territory for the Dixie Term. The Agreement provides the Company with an option to renew the Dixie Term for up to two additional five-year periods. The Company plans to use its licence for the Dixie IP to develop, manufacture, distribute and sell Dixie-branded products in the Territory, as and when those products are permitted to be sold pursuant to applicable laws.

Downstream Portfolio

The Company is actively pursuing both domestic and international distribution channels for the sale of its cannabis products. As of the date of this AIF, the Company's downstream distribution includes:

Medical Cannabis

Upon receipt of a Sales Licence for the KoLab Project and RCI, the Company intends to leverage its wholly-owned subsidiaries to distribute its and its Streaming Partners' cannabis Products directly to patients across Canada. In addition, the Company has relationships with several patient outreach and Patient Services Partners which give it access to a significant number of registered patients. Current Patient Services Partners include: Medi-Green, Cura-Can Health Corp. Medical Cannabis Resources Centre Inc., National Access Cannabis Corp., and SwiftBerry Health Network. As at the date of this AIF, the Company has yet to engage any of its Patient Services Partners.

Retail Distribution

The Company is in active negotiations with various provincial retailers who are pursuing distribution licensing in their respective provinces and territories. As at the date of this AIF, the Company has entered into the following retail distribution arrangements:

Inner Spirit

The Company has entered into an investment agreement with Inner Spirit Holdings providing for a strategic investment by the Company in Inner Spirit, as well as a strategic alliance agreement that will govern the ongoing business relationship between the parties.

Inner Spirit is the parent company of Spirit Leaf which aims to be a market leader in the franchising of retail cannabis dispensaries in jurisdictions in Canada where the private distribution of adult-use cannabis is legalized. Inner Spirit has currently executed over 95 franchise agreements in Canada for proposed retail locations (each, a "**Spiritleaf Retail Dispensary**").

Under the terms of the strategic alliance agreement, the Company and Inner Spirit have agreed to enter into a supply agreement (the "**Supply Agreement**") granting the Company with the exclusive right to supply up to 50% of Inner Spirit's annual inventory requirements for any cannabis Products to be sold at Spiritleaf Retail Dispensaries. In addition to such exclusive supply right, the parties have agreed that the Supply Agreement will contain a mutually agreeable profit-sharing arrangement relating to sales of cannabis products.

National Access Cannabis

The Company has entered into a binding letter of intent with National Access Cannabis Corp. ("**NAC**"), pursuant to which the Company will supply cannabis products to NAC for sale in any retail stores operated by NAC in the provinces of Manitoba, Saskatchewan, Alberta and British Columbia, the Northwest Territories and the Yukon. Pursuant to the terms of the letter of intent, the Company will

supply a predetermined amount of both branded and white labeled dried cannabis and cannabis oil on an annual basis for sale by NAC.

Pharmacies

The Company entered into an interim strategic alliance agreement with the corporate owner of a national chain of independent pharmacies (the "**Pharmacy Group**") to develop and implement medical cannabis distribution and retail sale opportunities at all Pharmacy Group locations (collectively, the "**Pharmacy Responsible Retailing Program**"). The Pharmacy Group currently owns and operates approximately 40 independent pharmacies across Canada. The Pharmacy Responsible Retailing Program gives the Company the exclusive right for 10 years to: (i) create medical cannabis distribution sites within each Pharmacy Group location if and when such distribution is permitted pursuant to applicable law (each, a "**Medical Cannabis Retail Site**"); (ii) subject to certain commercial carve-outs, supply any form of cannabis, cannabis-infused or cannabis-derived products to each Medical Cannabis Retail Site; and (iii) manage the display and/or advertising of cannabis products at each Medical Cannabis Retail Site. All profits generated by the sale of cannabis products at Medical Cannabis Retail Sites will be subject to a profit-sharing arrangement to be negotiated by the parties on a jurisdiction by jurisdiction basis if and when such distribution is legally permitted in such jurisdiction.

Convenience Stores

The Company has entered into an interim strategic alliance agreement 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.

The Convenience Store Group currently owns and operates over 350 convenience stores and convenience kiosks across Canada in high-traffic locations such as transit stations and commercial office buildings. The Company will collaborate and partner on cannabis distribution and retail sale opportunities including the active exploration of advanced age verification technologies to ensure the responsible retailing of cannabis at Convenience Store Group locations, if permitted by applicable law (each, a "**CS Location**").

The interim strategic alliance agreement gives the Company the exclusive right for 10 years to: (i) work with the Convenience Store Group to develop and implement any physical or online distribution or sale of any form of cannabis, cannabis-infused or cannabis-derived products at any CS Locations; (ii) supply, or arrange for the supply of, all cannabis products to CS Locations for the distribution and/or sale of cannabis products, subject to applicable laws; (iii) develop consumer education best practices and guidelines in the retailing of cannabis products at CS Locations; and (iv) manage the display and/or advertising of cannabis products at CS Locations. All profits generated by the sale of cannabis products at CS Locations will be subject to a profit-sharing arrangement to be negotiated by the parties on a jurisdiction by jurisdiction basis if and when such distribution is legally permitted in such jurisdiction.

International Opportunities

Cannabis Wheaton is actively exploring international markets as potential distribution channels and is currently in negotiations with a foreign pharmaceutical company for the exclusive supply of cannabis products into foreign markets.

CANNABIS INDUSTRY BACKGROUND AND TRENDS

Canadian Regulatory Environment

Background

Cannabis is a controlled substance listed in Schedule II of the CDSA. Accordingly, activities related to cannabis are governed by the CDSA and its regulations, including the ACMPR, the NCR, as well as other applicable laws. Cannabis is subject to unique and specific regulation in Canada.

Cannabis itself is not authorized for sale as a "drug" by Health Canada under the FDA. However, Canadian courts have ruled that individuals with a demonstrated need for cannabis for medical purposes are entitled to a legal source of cannabis (recognized in *Allard* and *Smith* and in earlier decisions, including *R v Parker*). Sale of cannabis by LPs to clients, other LPs or other identified groups in accordance with the ACMPR is exempt from the application of the FDR by the *Cannabis Exemption (Food and Drugs Act) Regulations (Canada)*, as amended, issued pursuant to the FDA. The ACMPR includes provisions regulating production, processing, and labelling of cannabis to ensure that quality, safety and predictability of effect are available. The provisions of the ACMPR in this respect are unique to cannabis and distinct from similar provisions applicable to drugs in the FDR.

Access to cannabis includes the option for clients to purchase dried cannabis or cannabis oil from LPs, which is delivered to the patients via mail order (the ACMPR does not provide for retail sales of cannabis). Access also includes growing by or on behalf of individuals remaining under the MMAR through the *Allard* injunction. Cultivation for personal use is also permitted under the ACMPR, with LPs now being permitted by the ACMPR to provide seeds or plants to clients who are registered and approved by Health Canada. The amounts of cannabis, seeds and plants that a client may be provided with per month is determined with reference to a permitted daily amount of cannabis, normalized to the number of grams of dried cannabis per day, specific to the patient.

Recreational use of cannabis is not currently legal in Canada. On April 20, 2016, the Government of Canada announced that legalization, regulation and restriction to access to cannabis for non-medical adult use may be proposed in a bill in early 2017. On June 30, 2016, the federal government of Canada appointed the Task Force on Marijuana Legalization and Regulation (the "**Task Force**"). The Task Force has taken consultations, ending August 29, 2016, and published its final report on November 30, 2016 on its recommendations titled: *Toward the Legalization, Regulation and Restriction of Access to Marijuana*, which is available online on Health Canada's website. See "*Risk Factors – Risks Relating to the Medical Cannabis Industry*".

Recent Legislative Changes

Canadians have been able to access dried cannabis for medical purposes since 1999, when the MMAR was first established. In 2001, the MMAR was established to authorize access to cannabis for medical necessity. The MMAR set out a scheme for Canadians to access cannabis for medical purposes, if they had the support of a health care practitioner.

In 2013, the MMAR was replaced by the MMPR, which was developed to be a comprehensive response to address such concerns. Through the establishment of large scale commercial Cultivation Licences, the MMPR created the conditions for a commercial industry that produces and distributes quality-controlled dried cannabis to individuals who have the support of their health care practitioner.

On March 21, 2014, the Federal Court of Canada issued an interim order effecting the repeal of the MMAR and the application of certain portions of the MMPR which were inconsistent with the MMAR in response to a motion brought by four individuals in *R v Allard* ("**Allard**"). As a result: (i) individuals who held a licence to possess cannabis under the MMAR as at March 21, 2014 were able to continue to possess cannabis in accordance with

the terms of that licence, except that the maximum quantity of dried cannabis authorized for possession was to be the lesser of the amount specified by their licence or 150 grams; and (ii) individuals who held, as of September 30, 2013, or were thereafter issued a valid licence to produce cannabis under the MMAR were able to continue to produce medical cannabis in accordance with the terms of such licences. Individuals covered by the injunction who wanted to change the terms of their licence, such as a change in address or designated producer, were able to do so by registering with Health Canada under the ACMPR.

On June 11, 2015, the Supreme Court of Canada, in *R v Smith* ("**Smith**"), held that the restriction on the use of non-dried forms of cannabis for medical cannabis users violated the right to liberty and security of individuals in a manner that was arbitrary and not aligned with the principles of fundamental justice. As a result, the Supreme Court of Canada declared that sections 4(1) and 5(2) of the CDSA which prohibited possession and trafficking of non-dried forms of cannabis, were no longer of force or effect to the extent that they prohibited a person with medical authorization from possessing cannabis derivatives for medical purposes. As a result, medical cannabis patients authorized to possess and use medical cannabis were no longer limited to using dried forms of cannabis and were able to possess and consume cannabis derivatives for medical purposes. The effect of the Supreme Court of Canada decision on LPs was not as clear since LPs were governed and licensed under the MMAR. In order to clarify the uncertainty surrounding a legal source of supply of cannabis as a result of the Supreme Court of Canada decision, Health Canada issued certain exemptions under the CDSA on July 8, 2015, permitting LPs to produce and sell cannabis oil and fresh cannabis buds and leaves, in addition to dried cannabis.

On February 24, 2016, the Federal Court of Canada delivered the *Allard* decision, declaring the MMAR invalid as it violated patients' protected rights to liberty and security under the *Canadian Charter of Rights and Freedoms* (Canada), as amended (the "**Charter**"). Following this decision, the Federal Court of Canada suspended the operation of its interim order for six months to permit the Canadian legislature to enact a regime compliant with the Charter.

As of August 24, 2016, Health Canada now accepts applications from individuals who wish to register to produce a limited amount of cannabis for their own medical purposes or to designate someone to produce cannabis on their behalf. Individuals who were previously authorized to possess and produce cannabis under the MMAR remain authorized to do so by virtue of an injunction order by the Federal Court of Canada.

On August 24, 2016, the government of Canada passed the ACMPR in an effort to replace the MMAR with legislation compliant with the Charter. The ACMPR is composed of four main parts, which are summarized below:

- Part 1 is similar to the framework under the MMAR. It sets out a framework for commercial production by LPs responsible for the production and distribution of quality-controlled fresh or dried cannabis or cannabis oil or starting materials (i.e., cannabis seeds and plants) in secure and sanitary conditions.
- Part 2 is similar to the former MMAR regime. It sets out provisions for individuals to produce a limited amount of cannabis for their own medical purposes or to designate someone to produce it for them.
- Parts 3 and 4 include:
 - transitional provisions, which mainly relate to the continuation of MMAR activities by LPs;
 - consequential amendments to other regulations that referenced the MMAR (i.e., the NCR and the *New Classes of Practitioners Regulations* (Canada), as amended) to update definitions and broaden the scope of products beyond dried cannabis; and
 - provisions repealing the MMAR and setting out the coming into force of the ACMPR on August 24, 2016.

Any applicant seeking to become an LP under the ACMPR is subject to stringent Health Canada licensing requirements. On May 27, 2017, Health Canada streamlined the licensing process for LP Applicants in order to enable the increased production of cannabis. The below table provides a general overview of the licensing process as described by Health Canada.

Stage	Overview
1	<p>Intake and Initial Screening: When an application is received, it undergoes an assessment for completeness. If an application is not complete, depending on the information that is missing, applicants may be contacted by health Canada to obtain the missing information or it will be returned. If an application is complete, it is assigned an application number. The assignment of an application number means that the application has completed the assessment. The initial screening consists of an assessment of the proposed business plan, the security clearance application form and record-keeping methods pertaining to security, good production practices, inventory and destruction methods.</p>
2	<p>Detailed Review and Initiation of Security Clearance Process: Once an application has been assigned an application number, it is reviewed to ensure that: (i) it meets all the requirements of the ACMPR; (ii) the issuance of the licence is not likely to create risks to public health, safety or security; (ii) the proposed security measures outlined in the application meet the requirements of the ACMPR; and (iii) that there are no grounds to refuse the application. An application will be thoroughly reviewed to ensure that the level of detail included in the application is sufficient to assess the requirements of the ACMPR and validate the information provided. At this stage, an application will also be reviewed for proposed security measures including those required by Subdivision C of the ACMPR and the description of the storage area for cannabis as required by the Security Directive; the credentials of the proposed quality assurance person to meet the good production requirements outlined in Subdivision D of the ACMPR and the details listed in the quality assurance report relating to premises, equipment and sanitation program. Physical security plans will be reviewed and assessed in detail at this stage. It is the responsibility of the applicant to ensure it is in compliance with all applicable provincial, territorial and municipal legislation, regulations and bylaws, including zoning restrictions. While the application is in the Detailed Review stage, the security clearance forms for key personnel will be sent for processing. Security clearances generally take several months at a minimum. Once a LP Applicant completes Health Canada's paper-based review process, the LP Applicant will be required to submit a "Confirmation of Readiness" to Health Canada as evidence of completion of the proposed cultivation facility.</p>
3	<p>Issuance of Licence to Cultivate: Once Health Canada confirms that the requirements of the ACMPR have been met, and the application successfully completes the Detailed Review and Security Clearance stage, a Cultivaiton Licence will be issued.</p>
4	<p>Introductory Inspection: As part of the terms and conditions on their licence, a Licensed Producer is required to notify Health Canada as cultivation begins. Once notified, Health Canada will schedule an initial inspection to verify that the Licensed Producer is meeting the requirements of the ACMPR including, but not limited to, the physical security requirements for the site, record-keeping practices and Good Production Practices (GPP) and to confirm that the activities being conducted by the Licensed Producer correspond to those indicated on their licence.</p>
5	<p>Pre-Sales Inspection: If a Licensed Producer wishes to add the activity of sale to their existing Cultivation Licence, an amendment application must be submitted to the Office of Medical Cannabis. Health Canada will then schedule an inspection to verify that the Licensed Producer is meeting the requirements of the ACMPR including, but not limited to, good production practices, packaging, labelling, shipping, and record keeping prior to allowing the sale or provision of product.</p>
6	<p>Issuance of Sales Licence: To complete the assessment of the requirements of the ACMPR and establish that adding the activity of sale of cannabis products is not likely to create a risk to public health, safety or security, and to confirm that there are no other grounds for refusing the amendment application, the following information is reviewed: (i) results of the pre-sales inspection; (ii) information submitted in the amendment application to add the activity of sale to the licence; and (iii) any other relevant information. When the review is</p>

Stage	Overview
	completed, an amended licence, including the activity of sale, is issued to the Licensed Producer. Separate licences may be issued for dried cannabis, plants and/or cannabis oil.

Bill C-45 and Legislation to Legalize Recreational Use of Cannabis

On April 13, 2017, the Canadian government introduced Bill C-45, *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts* ("**Bill C-45**"). The stated purpose of Bill C-45 is to provide legal access to cannabis and to control and regulate its production, distribution and sale. The passage of Bill C-45 would allow adults to legally possess and use cannabis for recreational purposes.

The following is intended to be of a summary nature, and the full text of Bill C-45 should be referred to for complete details with respect to the proposed legalization of recreational cannabis in Canada.

The Market for Recreational Cannabis

Bill C-45 would allow all Canadians over the age of 18, subject to additional age limits imposed by provincial governments, to purchase cannabis by mail and in provincially regulated retail spaces. Individuals would also be permitted to grow up to four plants in their residence. The possession limit of dried cannabis would be set at 30 grams.

The effect of Bill C-45, should it be passed into law, would be the creation of a market for recreational cannabis in Canada. Bill C-45 would significantly expand the class of individuals who are legally permitted to purchase and consume cannabis in Canada.

Currently, it is illegal to buy, sell, produce, import or export cannabis unless it is authorized under the CDSA and its regulations, such as the ACMPR. The current program for access to cannabis for medical purposes would continue under following the passage of Bill C-45. Cannabis will remain illegal as Bill C-45 moves through the legislative process.

Production

The production of cannabis in Canada will continue to be highly-regulated and subject to numerous controls and regulations.

Part 3 of Bill C-45 provides for the establishment of the legal framework for licences and permits that will govern the importation, exportation, production, testing, packaging, labelling, sending, delivery, transportation, sale, possession or disposal of cannabis or any class of cannabis. Section 61 of Bill C-45 provides the government with the power to establish a framework for applications for such licences and permits.

Part 12 of Bill C-45 provides transitional provisions with respect to applications for licences submitted under the MMPR and ACMPR. Applications submitted under the ACMPR will continue to be processed under the ACMPR as Bill C-45 moves through the legislative process.

Distribution

Under Bill C-45, provinces and territories could licence and oversee the distribution and sale to adult consumers of cannabis for non-medical purposes. In the event that a province or territory has not established a retail environment with appropriate safeguards to enable the purchase of legal, regulated cannabis by the implementation date of Bill C-45, it is proposed that the regulations would enable the Minister of Health to licence, potentially on a temporary basis, the sale of cannabis for non-medical purposes to adult consumers. This

class of licence would authorize the sale of cannabis products obtained from a licensed processor to adult consumers in Canada (ordered over the phone, online or via written order, with secure delivery through the mail or by courier). As with other licences, a licence for sale for non-medical purposes would authorize related activities, such as possession, transportation, research and development, storage, destruction, and the intra-industry sale of cannabis to other federal licence holders.

Bill C-45 would also enable provinces and territories to oversee the distribution and retail aspects of the cannabis supply chain, and to tailor certain rules in their respective jurisdictions. As a result, the distribution of cannabis will vary from province to province and territory to territory in Canada.

Bill C-45 would also prohibit individuals aged 18 years or older from possessing more than 30 grams of dried cannabis or its equivalent in public. Provinces and territories, together with municipalities, could also tailor certain rules in their own jurisdiction (for example, setting a higher minimum age or more restrictive limits on possession or personal cultivation, including lowering the number of plants or restricting where it may be cultivated). It is proposed that the regulations set strict controls to prevent illegal sales to youth and to prevent online sales by federally-licensed sellers in provinces and territories that have established their own distribution and sales systems (which may include online sales authorized at the provincial or territorial level).

Advertising and Promotions

Bill C-45 prohibits any promotion, packaging and labelling of cannabis that could be appealing to young persons or encourage its consumption, while allowing consumers to have access to information with which they can make informed decisions about the consumption of cannabis.

In particular, Division 2 of Bill C-45 provides for broad restrictions on the promotion, packaging and labelling, display, and sale and distribution of cannabis and cannabis accessories. The promotion, packaging and labelling, display and sale and distribution of cannabis and cannabis accessories will be strictly controlled to prevent persons under the age of 18 from being exposed to such activities and to prevent the encouragement of consumption of cannabis. As such, the promotion, packaging and labelling, display and sale and distribution of cannabis and cannabis accessories will take place in a highly regulated environment which will restrict persons to brand and market their products in a manner consistent with other industries which are not subject to such controls.

Progress of Bill C-45

Bill C-45 passed second reading in the House of Commons and was referred to the Parliamentary Standing Committee on Health on June 8, 2017. On October 3, 2017, the Standing Committee on Health proposed amendments to Bill C-45, including, among other things, an amendment that would permit cannabis edibles and concentrates to be sold, to come into force no later than 12 months after Bill C-45 comes into force.

On November 10, 2017, the Government of Canada proposed that federal tax on cannabis for recreational purposes should not exceed \$1 per gram or 10% of the producer's price, whichever is higher, with retail sales taxes levied on top of that amount.

On November 21, 2017 Health Canada launched a 60-day public consultation on its proposed approach to the regulation of cannabis. The purpose of the consultation paper was to solicit public feedback on an initial set of regulatory proposals that Health Canada is considering, focused on the regulations that would facilitate the coming into force of Bill C-45. Health Canada's consultation addresses licensing, security requirements for producers and their facilities, product standards, labelling and packaging, and the proposed cannabis tracking system. It also addresses cannabis for medical purposes and health products containing cannabis. Health Canada proposes a risk-based approach to regulation, balancing the protection of health and safety of Canadians while

enabling a competitive legal industry made up of large and small enterprises in all regions of Canada producing quality-controlled cannabis.

Bill C-45 subsequently passed third reading in the House of Commons on November 27, 2017 and was sent to the Senate for review.

Proposed Regulations

The results of the Health Canada public consultation on the proposed approach to the regulation of cannabis were released on March 19, 2018. The results included details on the strict regulations that will be imposed for labelling and packaging of recreational cannabis that will also be applicable to medical cannabis products 6 months after Bill C-45 comes into force. A standardized cannabis symbol will be required to appear on every label, along with mandatory health warning messages, and the label and packaging will need to be a single, uniform colour. Brand elements and logos will also be very limited.

Current Status of Bill C-45

Bill C-45 passed second reading in the Senate and was referred to the Standing Senate Committee on Social Affairs, Science and Technology on March 22, 2018. The Senate has adopted a motion to have the third reading of Bill C-45 on June 7, 2018. The Government of Canada has indicated that the target implementation date for Bill C-45 will be August or September 2018.

There can be no assurance Bill C-45 will become law or, if enacted, will be enacted in the form introduced on April 13, 2017. See "*Risk Factors – Risks Relating to the Medical Cannabis Industry – Legalization of Recreational Cannabis*".

Market

As of the date of this AIF, according to the most recent publicly available information from Health Canada, there were a total of 104 LPs. The vast majority of LPs have business models that were designed to supply a portion of Canada's estimated future medical cannabis market.

Health Canada indicates that there were 269,502 individuals licensed under the ACMPR to possess and consume dried cannabis for medicinal purposes in Canada as of December 31, 2017. It further notes that those individuals purchased 6,342 kg of dried cannabis and 9,274 kg of cannabis oil during the period of October 1, 2017 to December 31, 2017. In the Regulatory Impact Analysis Statement commissioned in connection with the development of the MMPR, Health Canada's analysis used an upper bound (or ceiling) of 450,000 Canadians who might become participants in Canada's Marijuana Medical Access Program by 2024 as the reference case.

According to the Health Canada website, the average size of dosage per prescription for licences granted to individual users during the period of October 1, 2017 to December 31, 2017 was 2.4 grams of dried cannabis per day.

With the introduction of Bill C-45, there is the potential for a recreational cannabis market in Canada. However, until Bill C-45 or similar legislation is passed, it remains illegal to buy, sell, produce, import or export cannabis unless it is authorized under the CDSA and its regulations, such as the ACMPR. The current program for access to cannabis for medical purposes is expected to continue following the passage of Bill C-45. Cannabis will remain illegal as Bill C-45 moves through the legislative process. See "*Cannabis Industry Background and Trends – Canadian Regulatory Environment – Bill C-45 and Legislation to Legalize Recreational Use of Cannabis*" for a more detailed description of Bill C-45. See also "*Risk Factors – Risks Relating to the Medical Cannabis Industry*".

Market Projections

The potential size and makeup of the Canadian recreational market was analyzed in a survey conducted between March 13, 2016 and April 3, 2016 based on a sample of 5,000 adult Canadians, the results of which were published by Deloitte Touche Tohmatsu Limited and entitled "Recreational Marijuana Insight and Opportunities" (the "**Deloitte Survey**"). The Deloitte Survey found that 22% of survey respondents consumed recreational cannabis at least on an occasional basis, with 7% of survey respondents consuming on a daily basis. A further 17% showed some willingness to try cannabis if it were legal, leading the Deloitte Survey to conclude that the total potential marketplace may be close to 40% of the Canadian adult population.

According to the Deloitte Survey, the size of the Canadian recreational cannabis market could be as much as \$5 billion per year, or similar to the size of the Canadian spirit market. At the upper threshold of the potential customer base, which takes into account people who are likely to consume cannabis, cannabis revenue alone could be as high as \$8.7 billion, which is similar to the revenue generated by wine in Canada. The Deloitte Survey considers that, on the production side, supplying even the low-end estimate of the recreational cannabis market would require the production of over 600,000 kilograms of cannabis annually. From a comparative standpoint, according to Health Canada, the medical market made only 34,532 kilograms of dried cannabis and 27,315 kilograms of cannabis oil available for sale to registered clients in 2017 (or approximately 10.3% of the Deloitte Survey's projected low-end estimate of the annual production requirement for the recreational cannabis market). In December 2017, the Marijuana Policy Group, which has been selected by Health Canada to estimate the size of Canada's cannabis market, released an estimate that the recreational market for cannabis in Canada could exceed 900,000 kilograms of cannabis annually.

According to a report of the Office of the Parliamentary Budget Officer of the Government of Canada entitled "Legalized Cannabis: Fiscal Considerations" dated November 1, 2016 (the "**PBO Report**"), between 2015 and 2016, the average price of illicit cannabis ranged from \$8.32 to \$9.36 per gram, with a mid-point estimate of \$8.84 per gram. The PBO Report indicates that the pre-tax price of legal cannabis is projected to range between \$6.67 and \$8.83 per gram, with a mid-point estimate of \$7.50 per gram. According to recent data from Statistics Canada, in 2017 Canadians paid an average price per gram of \$7.43 for illicit cannabis and an average price of \$8.18 per gram for medical cannabis.

No assurance can be provided that the Company will be able to participate, directly or indirectly, in the Canadian recreational cannabis market, if or when such market is created through the legalization of recreational cannabis use. See "*Risk Factors – Risks Relating to the Cannabis Industry – Legalization of Recreational Cannabis*".

RISK FACTORS

There are a number of risk factors that could cause future results to differ materially from those described herein. The risks and uncertainties described in this AIF are not the only ones the Company may face. Additional risks and uncertainties that the Company is unaware of, or that the Company currently deems not to be material, may also become important factors that affect the Company. If any such risks actually occur, the Company's business, financial condition or results of operations could be materially adversely affected.

Risks Relating to the Medical Cannabis Industry

As the Company invests in and operates businesses in the cannabis industry, the Company is subject to certain risk factors to which its subsidiaries and the Investee Companies are subject and which could affect the business, prospects, financial position, financial condition or operating results of the Company as a result of its investments in its subsidiaries and the Investee Companies:

Cannabis is Not an Approved Drug or Medicine

Cannabis is not an approved drug or medicine in Canada. The Government of Canada does not endorse the use of cannabis, but Canadian courts have required reasonable access to a legal source of cannabis when authorized by a healthcare practitioner.

Legalization of Recreational Cannabis

There can be no assurance that Bill C-45 will be passed into law, or passed into law substantially in the form in which it was introduced. Further, even if Bill C-45 is passed into law, the importation, exportation, production, testing, packaging, labelling, sending, delivery, transportation, sale, possession or disposal of cannabis or any class of cannabis will remain subject to extensive regulatory oversight. Such extensive controls and regulations may significantly affect the financial condition of market participants, and prevent the realization of such market participants of any benefits from an expanded market for recreational cannabis products.

Licensing Risk

Some of the Streaming Partners are not yet Licensed Producers and there is a risk that those Streaming Partners may never become Licensed Producers. Health Canada has received many applications and only a small fraction have been approved to date. Furthermore, the timing and success of LP Applicants at the various steps in the licensing process is beyond the Company's or the LP Applicant's control and the sole discretion thereof lies with Health Canada. In the event an LP Applicant becomes an LP, the licence to cultivate and distribute medical cannabis must be renewed at a maximum of every three years. LPs must strictly adhere to the regulations and applicable law in order to maintain the licence, once granted, and to secure annual renewals.

Each Streaming Partner's ability to grow, store and sell medical cannabis in Canada is dependent on its licence. Failure to comply with the requirements of the licence or any failure to maintain the licence would have a material adverse impact on the business, financial condition and operating results of the Investee Company and, therefore, on the Company's prospective returns.

Likewise, any unanticipated delays or difficulties in the ability of Streaming Partners to obtain the Health Canada and other regulatory approvals required under the Streaming Agreements would have a material adverse impact on the business, financial condition and operating results of the Investee Company and, therefore, on the Company's prospective returns. The anticipated timing of Company funding under the Streaming Agreements is based on management's current reasonably held estimates. However, the Streaming Partners are solely responsible for obtaining any necessary regulatory approvals, and the Company offers no assurances in this regard.

Regulatory Risks

The Company and its Streaming Partners operate in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements.

The Company and its Streaming Partners incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Investee Companies and, therefore, on the Company's prospective returns.

The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Company and its Streaming Partners and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Company's and its Streaming Partners' earnings and could make future capital investments or the Company's and its Streaming Partners' operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

Changes in Laws, Regulations and Guidelines

The Company's and its Streaming Partners' operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of medical cannabis but also including laws and regulations relating to health and safety, privacy, the conduct of operations and the protection of the environment in the jurisdictions in which they operate. Any changes to such laws, regulations and guidelines are matters beyond the control of the Company's and its Streaming Partners' that may cause adverse effects to the operations and financial conditions of the Company's and its Streaming Partners' and, therefore, on the Company's prospective returns.

The risks to the business of the Company and its Streaming Partners represented by such changes are that they might lead to court rulings or legislative changes that allow those with existing licences to possess and/or grow medical cannabis, perhaps allow others to opt out of the regulated supply system implemented through the ACMPR by growing their own medical cannabis, or potentially even legitimize illegal areas surrounding cannabis dispensaries. This could significantly reduce the addressable market for the Company's and its Streaming Partners' products and could materially and adversely affect the business, financial condition and results of operations for the Company's and its Streaming Partners' and, therefore, the Company's prospective returns.

In addition, the industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the Company's and its Streaming Partners' control and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce Company's and its Streaming Partners' earnings and could make future capital investments or Company's and its Streaming Partners' operations uneconomic and, therefore, could materially and adversely affect the Company's prospective returns.

Furthermore, the legislative framework pertaining to the Canadian recreational cannabis market will be subject to significant provincial and territorial regulation, which may vary across provinces and territories and result in an asymmetric regulatory and market environment, different competitive pressures and significant additional compliance and other costs and/or limitations on the Company's and its Streaming Partners' ability to participate in such market. While the impact of any new legislative framework for the regulation of the Canadian recreational cannabis market is uncertain, any of the foregoing could result in a material adverse effect on the Investee Companies' business, financial condition and operating results and, therefore, on the Company's prospective returns.

Regulatory Regime Relating to the Company

While management believes that the Company has all licences, permits, authorizations and approvals necessary to conduct its business and that the Company is properly operating within all applicable regulatory regimes, there can be no assurance that these beliefs are accurate or that laws or regulatory regimes will not be changed

in a manner that would adversely impact the Company, including by requiring it to obtain certain licences, permits, authorizations or approvals or requiring it to operate subject to a regulatory regime.

Restrictions on Sales Activities

The industry is in its early development stage and restrictions on sales and marketing activities imposed by Health Canada, various medical associations, other governmental or quasi-governmental bodies or voluntary industry associations may adversely affect Company's and its Streaming Partners' ability to conduct sales and marketing activities and could have a material adverse effect on the Company's and its Streaming Partners' businesses, operating results and financial conditions.

Product Liability

As manufacturers and distributors of products designed to be ingested or inhaled by humans, the Company and its Streaming Partners face an inherent risk of exposure to product liability claims, regulatory action and litigation if their products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of products involve the risk of injury or loss to consumers due to tampering by unauthorized third parties, product contamination, or unauthorized use by consumers or other third parties. Previously unknown adverse reactions resulting from human consumption of the Company's and its Streaming Partners' products alone or in combination with other medications or substances could occur. The Company and its Streaming Partners may be subject to various product liability claims, including, among others, that the Company's and its Streaming Partners' products caused injury, illness or loss, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company and/or its Streaming Partners could result in increased costs, adversely affect the Company's and its Streaming Partners' reputation with clients and consumers generally, and adversely affect the results of operations and financial conditions of the Company and/or its Streaming Partners and, therefore, the Company's prospective returns.

Price of Medical Cannabis

The trading price of the Shares and the Company's financial results may be significantly and adversely affected by a decline in the price of cannabis. Given the highly regulated nature of the industry, the price of cannabis is affected by numerous factors beyond the Company's control, including but not limited to, government regulation, interest rates, inflation or deflation, supply and demand, and general prevailing political and economic conditions. A general downturn in the medical cannabis market could result in a significant decrease in the Company's revenue through its Streaming Payments. Any such price decline may have a material adverse effect on the Company.

Risks Relating to the Company

Limited Operating History

The Company has limited history of investing in the cannabis industry. The Company is therefore subject to many of the risks common to entering a new area of investment, including under-capitalization, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on its investment and the likelihood of success must be considered in light of the Company's limited experience in the cannabis industry. Most of the businesses in which the Company could invest also have limited operating history, and many may have little or no history of revenues or profitability.

Lack of Funding May Limit the Ability to Originate Streaming Agreements

The Company is dependent on its ability to secure funding for the upfront payments for Streaming Agreements. While the Company will actively pursue new sources of funding and expects to have sufficient cash flow from operations, there can be no assurance that such funding will be available at all or in a timely manner to finance additional Streaming Agreements.

Volatile Market Price of Shares

The market price for Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Company operates;
- addition or departure of the Company's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Shares;
- sales or perceived sales of additional Shares or other securities;
- operating and financial performance that vary from the expectations of management, securities analysts and investors;
- regulatory changes affecting the industries in which the Company invests and its business and operations;
- announcements of developments and other material events by the Company or its competitors;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

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

continue, the Company's operations could be adversely impacted and the trading price of the Shares may be materially adversely affected.

Streaming Partners May be Pre-Revenue

The Company may make investments in Streaming Partners that have no significant sources of operating cash flow and no revenue from operations. As such, the Streaming Partners are subject to risks and uncertainties that new companies with no operating history may face. In particular, there is a risk that the Streaming Partners will not be able to:

- implement or execute their current business plan, or create a business plan that is sound;
- maintain their anticipated management team; and/or
- raise sufficient funds in the capital markets or otherwise to effectuate their business plan.

If the Streaming Partners cannot execute any one of the foregoing, their businesses may fail, which could have a materially adverse impact on the business, financial condition and operating results of the Company.

Lack of Control Over Operations of Streaming Partners

The Company relies on the Streaming Partners to execute on their business plans and produce medical cannabis products, and holds contractual rights and minority equity interest relating to the operation of the Streaming Partners. The operators of the Streaming Partners have significant influence over the results of operations of the Streaming Partners. Further, the interests of the Company and the operators of the Streaming Partners may not always be aligned. As a result, the cash flows of the Company are dependent upon the activities of third parties which creates the risk that at any time those third parties may: (i) have business interests or targets that are inconsistent with those of the Company; (ii) take action contrary to the Company's policies or objectives; (iii) be unable or unwilling to fulfill their obligations under their agreements with the Company; or (iv) experience financial, operational or other difficulties, including insolvency, which could limit or suspend a third party's ability to perform its obligations. In addition, payments may flow through the Streaming Partners, and there is a risk of delay and additional expense in receiving such revenues. Failure to receive payments in a timely fashion, or at all, under the agreements to which the Company is entitled may have a material adverse effect on the Company. In addition, the Company must rely, in part, on the accuracy and timeliness of the information it receives from the Streaming Partners, and uses such information in its analyses, forecasts and assessments relating to its own business. If the information provided by Streaming Partners to the Company contains material inaccuracies or omissions, the Company's ability to accurately forecast or achieve its stated objectives, or satisfy its reporting obligations, may be materially impaired.

Streaming Partners May not Honour the Streaming Agreement

The Yield Component and other interests are largely contractual in nature. Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. To the extent Streaming Partners do not abide by their contractual obligations, the Company would be forced to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly and there is no guarantee of success. Any pending proceedings or actions or any decisions determined adversely to the Company, may have a material and adverse effect on the Company's profitability, results of operations, financial condition and the trading price of the Shares.

No Security Granted

The Company generally does not have a security interest or other collateral pursuant to the Streaming Agreements. As such, the Company may be limited in its ability to enforce in the event of a default by a Streaming Partner. See also "*Risk Factors – Risks Relating to the Company – Bankruptcy or Insolvency of Streaming Partners*".

Acquisition Strategy

As part of the Company's business strategy, it has sought and will continue to seek opportunities in the cannabis industry. In pursuit of such opportunities, the Company may fail to select appropriate opportunities or negotiate acceptable arrangements. The Company cannot assure that it can complete any business arrangement that it pursues or is pursuing, on favourable terms, or that any business arrangements completed will ultimately benefit the Company.

Future Sales or Issuances of Securities

The Company may issue additional securities to finance future activities. The Company cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Shares. Sales or issuances of substantial numbers of Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Shares. With any additional sale or issuance of Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per Share.

Key Personnel Risks

The Company's efforts are dependent to a large degree on the skills and experience of certain of its key personnel, including the Board. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities. The Company's future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business including as a result of contractual or other disputes with its Investee Companies or as a consequence of the Company's TSXV listing and reporting issuer status. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for the Shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources. Litigation may also create a negative perception of the Company's brand.

Bankruptcy or Insolvency of Streaming Partners

There is no guarantee that the Company will be able to effectively enforce any interests it may have in the Streaming Partners. A bankruptcy or other similar event related an Investee Company occur that precludes a party from performing its obligations under an agreement may have a material adverse effect on the Company. Further, as an equity investor, should an Streaming Partner have insufficient assets to pay its liabilities, it is possible that other liabilities will be satisfied prior to the liabilities owed to the Company. In addition, bankruptcy

or other similar proceedings are often a complex and lengthy process, the outcome of which may be uncertain and could result in a material adverse effect on the Company.

Unknown Defects and Impairments

A defect in a streaming transaction and/or an agreement may arise to defeat or impair the claim of the Company to such streaming transaction, which may have a material adverse effect on the Company. It is possible that material changes could occur that may adversely affect management's estimate of the return expected from any investment in an Investee Company.

Interim Agreements not Definitive

The Interim Agreements are not Definitive Agreements, and further negotiation of Definitive Agreements will be required. As such, there can be no assurance that Definitive Agreements can be negotiated on commercially reasonable terms or executed. Certain closing conditions are beyond the control of the Company and are entirely dependent on the Streaming Partners. The failure to enter into Definitive Agreements with the Streaming Partners could have a material adverse effect on the Company.

Size of Facilities

The current projected size of the Company's and Streaming Partners' facilities are only estimates and are subject to due diligence, regulatory approvals and market demand. Any delay or failure to build out proposed Facilities and/or expand current Facilities could have a material adverse effect on the Company.

Streaming Partner's Production Capacity

The current projected production capacity of the Company's and each Streaming Partner's facilities is only an estimate and is subject to a number of factors including plant design errors, dependence on certain cultivation technologies and key personnel, among others. The failure of any Streaming Partner to achieve full production capacity at its proposed Facility could have a material adverse effect on the Company.

Competition

The Company competes with other companies for financing and investment opportunities in the medical cannabis industry. Some of these companies may possess greater financial resources than the Company. Such competition may result in the Company being unable to enter into desirable streaming agreements or similar transactions, to recruit or retain qualified employees or to acquire the capital necessary to fund its investments. Existing or future competition in the cannabis industry could materially adversely affect the Company's prospects for entering into additional agreements in the future. In addition, the Company currently competes with other cannabis streaming and royalty companies, some of which may possess greater financial resources than the Company.

Agricultural Operations

Since the Company's business will revolve mainly around the cultivation of medical cannabis, an agricultural product, the risks inherent with agricultural businesses will apply. Such risks may include disease and insect pests, among others.

Equity Price Risk

The Company is exposed to equity price risk as a result of holding equity investments in the Investee Companies. Just as investing in the Company has inherent risks, by investing in these other companies, the Company is exposed to the risks associated with owning equity securities and those risks inherent in the Investee Companies.

Private Companies and Illiquid Securities

The Company may invest in securities of private companies. In some cases, the Company may be restricted by contract or generally by applicable securities laws from selling such securities for a period of time. Such securities may not have a ready market and the inability to sell such securities or to sell such securities on a timely basis or at acceptable prices may impair the Company's ability to exit such investments when the Company considers it appropriate.

Expansion into Foreign Jurisdictions

The Company's expansion into jurisdictions outside of Canada is subject to risks. In addition, in jurisdictions outside of Canada, there can be no assurance that any market for the Company's products will develop. The Company may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including economic instability, changes in laws and regulations, and the effects of competition. These factors may limit the Company's ability to successfully expand its operations into such jurisdictions and may have a material adverse effect on the Company's business, financial condition and results of operations.

Dividend Policy

No dividends on the Shares have been paid by the Company to date and the Company may not declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Company's Board after taking into account many factors including the Company's operating results, financial condition and current and anticipated cash needs.

Conflicts of Interest

The Company may be subject to various potential conflicts of interest because of the fact that some of its directors and executive officers may be engaged in a range of business activities. In addition, the Company's directors and executive officers may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company and subject to any contractual restrictions restricting such activities. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with business interests that interfere with their ability to devote time to the Company's business and affairs, which could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws and policies of the Company. For example, a director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it and absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. In accordance with applicable laws, the directors of the Company are required to act honestly and in good faith with a view to the best interests of the Company.

Failure to Realize Expected Rate of Return on the Company's Investments

While the Company will conduct due diligence in connection with the Streaming Agreements, the Streaming Agreements inherently involve risks that could materially and adversely affect the Company's business plan, including without limitation, the failure of the Streaming Partners to: (i) realize the results the Company expects; (ii) obtain and/or maintain regulatory approvals; and (iii) successfully compete in the medical cannabis industry. In addition, there could be unknown or undisclosed risks or errors in the various estimates provided by the Streaming Partners that could materially and adversely affect the Company and its financial results. There can be no assurances that the Company will be able to realize its projected rate of return on the Company's Streaming Agreements.

Negative Cash Flow

The Company has not generated revenue or cash flow from the Streaming Agreements. As a result of the Company's negative cash flow, the Company continues to rely on the issuance of securities or other sources of financing to generate the funds required to fund the Streaming Agreements and for corporate expenditures. The Company may continue to have negative operating cash flow for the foreseeable future.

DIVIDENDS

As of the date of this AIF, the Company has not declared dividends since inception and has no current intention to declare dividends on its Shares in the foreseeable future. Any decision to pay dividends on its Shares in the future will be at the discretion of the Board and will depend on, among other things, the Company's results of operations, current and anticipated cash requirements and surplus, financial condition, any future contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board may deem relevant.

DESCRIPTION OF CAPITAL STRUCTURE**Common Shares**

The authorized capital of the Company consists of an unlimited number of Shares. As of the date of this AIF, there were 467,754,067 Shares outstanding. The holders of Shares are entitled to one vote per Share at all meetings of the shareholders of the Company either in person or by proxy. The holders of Shares are also entitled to dividends, if and when declared by the directors of the Company, and the distribution of the residual assets of the Company in the event of a liquidation, dissolution or winding up of the Company.

All 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 Company, whether voluntary or involuntary, or any other disposition of the assets of the Company among its shareholders for the purpose of winding up its affairs after the Company has paid out its liabilities. The Shares are not subject to any call or assessment rights, any pre-emptive rights, any conversion or any exchange rights. The Shares are not subject to any redemption, retraction, purchase for cancellation, surrender, sinking or purchase fund provisions. Additionally, the Shares are not subject to any provisions permitting or restricting the issuance of additional securities and any other material restrictions or any provisions requiring a securityholder to contribute additional capital to the Company.

Options

As of the date of this AIF, the Company has 25,636,085 incentive stock options outstanding which entitle the holder thereof to purchase 25,636,085 of Shares.

Warrants

The Company currently has warrants (each, a "**Warrant**") outstanding to purchase up to an aggregate of 70,583,286 Shares. Each Warrant is exercisable for one Share of the Company.

Convertible Debentures

The Company currently has \$100,139,999.95 principal amount outstanding under convertible debentures (the "**Convertible Debentures**"). The outstanding Convertible Debentures were issued by the Company under the June Offering and the 2018 Debenture Offering. The following is a brief summary of the key attributes and characteristics of the Convertible Debentures.

Interest

The Convertible Debentures bear interest at rates ranging from 6% to 8% per annum from the date of issue (based on a year of 365 or 366 days, as applicable), calculated semi-annually in arrears payable on June 30 and December 31 of each year.

Subordination

The Convertible Debentures are subordinated to all existing secured indebtedness (if any) of the Company.

Conversion Rights

The June Convertible Debentures are convertible at the option of the holder, at any time prior to the close of business on the last business day immediately preceding the maturity date, into that number of Shares computed on the basis of the principal amount of the Convertible Debenture divided by the conversion price thereof.

Beginning on the date that is four months and one day following the issuance of the Convertible Debentures, the Company may force the conversion of the principal amount of the then outstanding Convertible Debentures at the conversion price on not less than 30 days' notice should the daily volume weighted average trading price of the Company's Shares meet certain thresholds for any 10 consecutive trading days on the Exchange.

MARKET FOR SECURITIES

The issued and outstanding Shares of the Company are listed and posted for trading on the TSXV under the symbol "CBW". The following table summarizes the particulars of the trading of the Company's Shares on the TSXV during the most recently completed financial year:

Month	High ⁽¹⁾ (\$)	Low ⁽¹⁾ (\$)	Volume ⁽¹⁾
December 2017	2.02	0.85	119,482,516
November 2017	1.02	0.81	19,129,629
October 2017	1.06	0.82	29,021,698
September 2017.....	1.18	0.72	30,047,120
August 2017	0.78	0.69	10,642,624
July 2017	1.05	0.68	22,826,702
June 2017 ⁽²⁾	1.21	0.83	49,009,234
May 2017	2.00	0.95	54,509,955
April 10-30, 2017 ⁽³⁾	1.69	0.98	3,767,326
April 1-9, 2017.....	1.117	0.83	2,276,118
March 2017 ⁽⁴⁾	1.00	0.05	1,661,778

Month	High ⁽¹⁾ (\$)	Low ⁽¹⁾ (\$)	Volume ⁽¹⁾
February 2017	0.025	0.025	Nil
January 2017	0.025	0.025	600,000

Notes:

1. The trading price and volume information presented in the table above have been adjusted to take into account the Forward Split.
2. On June 5, 2017, trading of the Shares on the TSX-V was temporarily halted by Investment Industry Regulatory Organization of Canada at the request of the Company, pending the announcement of the June Offering. Trading of the Shares resumed on June 6, 2017.
3. Effective April 10, 2017, the Shares were Forward Split on the basis of three post-split Shares for every one then issued and outstanding Share.
4. There was no trading in the month of March 2017 prior to March 22, 2017.

PRIOR SALES

Other than as set forth in the following table, the Company has not sold or issued any securities during the 12-month period ended December 31, 2017. All values below are represented on a post-Forward Split basis:

Security/Date	Number of Securities	Issue Price Per Security	Reason for Issuance
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
	Number of Securities	Issue Price Per Security	Reason for Issuance
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	\$1.01	RockGarden Acquisition
November 1, 2017 ⁽⁷⁾	29,166,665	\$1.20	Conversion of Debentures
	Number of Securities	Exercise Price Per Security	Reason for Issuance
Warrants to Purchase 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
October 2, 2017 ⁽¹⁰⁾	20,252,203	\$1.50	Conversion of June Special Warrants
November 1, 2017	29,155,000	\$1.20	November Offering
	Number of Securities	Exercise Price Per Security	Reason for Issuance
Options			
February 22, 2017 ⁽¹¹⁾	12,716,085	\$0.025	Incentive stock options
December 1, 2017	6,045,000	\$1.00	Incentive stock options
December 2, 2017 ⁽¹²⁾	100,000	\$1.00	Incentive stock options
December 12, 2017 ⁽¹³⁾	50,000	\$1.00	Incentive stock options
December 18, 2017 ⁽¹⁴⁾	1,000,000	\$1.00	Incentive stock options
December 29, 2017 ⁽¹⁵⁾	150,000	\$1.72	Incentive stock options

Convertible Debentures	Principal Amount	Conversion Price Per CD Conversion Share	Reason for Issuance
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 Company issued 60,927,546 special 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 Company, each unit being comprised of one Share and one Share purchase warrant (each, a "**January Warrant**"), each such January Warrant entitling the holder thereof to acquire one additional Share at \$0.023 until January 20, 2019, on a post-Forward Split basis.
2. On June 29, 2017, the Company issued 20,252,203 special warrants (the "**June Special Warrants**") exercisable for 20,252,203 units, with each unit comprised of a Share and a 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 Company, each unit being comprised of one Share and one Share purchase warrant (each, a "**June Warrant**"), each such June Warrant entitling the holder thereof to acquire one additional Share at \$1.50 until June 29, 2019.
3. 60,927,546 Shares were issued upon conversion of the January Special Warrants on a post-Forward Split basis.
4. On March 14, 2017, the Company closed a first tranche distribution (the "**First Unit Offering**") of 54,818,319 units of the Company (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 Share and one Share purchase warrant (each, a "**March Warrant**"), each such March Warrant entitling the holder thereof to acquire one additional Share at \$0.023 until March 14, 2019, on a post-Forward Split basis.
5. On March 21, 2017, the Company 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 Share and one March Warrant, each such March Warrant entitling the holder thereof to acquire one additional Share at \$0.023 until March 14, 2019, on a post-Forward Split basis.
6. 20,252,203 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 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 Share at \$0.023 per Share on a post-Forward Split basis until January 20, 2019.
9. On June 29, 2017, the Company 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 Share purchase warrants (the "**June CD Warrants**") of the Company. Each June CD Warrant is exercisable to acquire one Share at an exercise price of \$1.50 per 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 Share at \$1.50 per 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.
12. The options granted have an exercise price of \$1.00 per option and an expiry date of December 2, 2027.
13. The options granted have an exercise price of \$1.00 per option and an expiry date of December 12, 2022.
14. The options granted have an exercise price of \$1.00 per option and an expiry date of December 18, 2022.
15. The options granted have an exercise price of \$1.72 per option and an expiry date of December 29, 2027.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table sets out the number of Shares and other securities held, to the knowledge of the Company, in escrow or that are subject to a contractual restriction on transfer as at the date of this AIF:

<u>Designation of class</u>	<u>Number of securities held in escrow or that are subject to a contractual restriction on transfer</u>	<u>Percentage of class</u>
Shares	14,026,784	2.99%

DIRECTORS AND OFFICERS

Name, Address, Occupation and Security Holding

The following table sets out the names of the directors and officers of the Company, the municipality and province of residence, their position with the Company, their principal occupation during the past five years, and the number and percentage of Shares beneficially owned, directly or indirectly, or over which control or direction is proposed to be exercised, by each of the directors and officers as of the date of this AIF:

<u>Name, Municipality of Residence and Position with Company⁽¹⁾</u>	<u>Director/Officer Since</u>	<u>Principal Occupation During Last 5 Years</u>	<u>Number of Shares Owned or Controlled⁽²⁾⁽³⁾</u>
Chuck Rifici (Ottawa, Ontario) <i>Chairman, Chief Executive Officer</i>	May 5, 2017	Chief Executive Officer of Nesta Holding Co. Ltd., since Oct. 2015; Chief Executive Officer and Chief Financial Officer of Buzz Capital Inc., since Feb. 2017; Chairman of National Access Cannabis; and Chief Executive Officer of Tweed Marijuana Inc., Dec. 2012 – Aug. 2014.	50,544,184 ⁽⁴⁾
Hugo Alves (Toronto, Ontario) <i>President, Director</i>	June 8, 2017	President of the Company since August 10, 2017. Formerly, senior corporate and commercial Partner at Bennett Jones LLP where he founded and led the firm's cannabis group, September 2014 – July 2017.	19,645,902 ⁽⁵⁾
Jeff Tung (London, Ontario) <i>Chief Financial Officer</i>	May 5, 2017	President of Windley Ely, Mar. 2014 – May 2017; and President of CPS Management Partners Mar. 2013 – Feb. 2014.	9,518,156 ⁽⁶⁾
Ian Rapsey (Ottawa, Ontario) <i>Chief Creative Officer</i>	May 5, 2017	Co-founder and Chief Creative Officer for Nesta Holding Co., since Jan. 2016; Creative lead for Tweed Marijuana Inc., Oct. 2013 – Jan. 2016; and Creative director at Bruce Mau Design Inc., Dec. 2007- Oct. 2013.	936,000
Brad McNamee (Perth, Ontario) <i>Chief Infrastructure Officer</i>	May 5, 2017	Vice President for McNamee Plumbing & Heating Ltd., since June 2004.	500,000
Mike Lickver (Toronto, Ontario)	June 15, 2017	Associate at Bennett Jones LLP, 2011 – 2017.	9,548,156 ⁽⁷⁾

Name, Municipality of Residence and Position with Company⁽¹⁾	Director/Officer Since	Principal Occupation During Last 5 Years	Number of Shares Owned or Controlled⁽²⁾⁽³⁾
<i>Executive Vice President of Strategy</i>			
Ian McKay⁽²⁾ (Vancouver, British Columbia) <i>Director</i>	April 26, 2017	Chief Executive Officer of the Vancouver Economic Commission from 2013 – 2018 and National Director for the Liberal Party of Canada, Mar. 2010 – June 2013.	200,000
Brandon Boddy⁽²⁾ (Vancouver, British Columbia) <i>Director</i>	December 21, 2016	Investment Advisor with Jordan Capital from April 2011 to October 2014 and director of Moovly Media Inc. Formerly CEO of Opal Energy Corp until May 2016; Formerly CEO of Tiller Resources Ltd. until February 2017.	Nil.
Troy Grant⁽²⁾ (Bedford, Nova Scotia) <i>Director</i>	Dec. 21, 2016	Founder and Chief Executive Officer of Elcora Advanced Materials Corp., a TSXV listed graphene materials company, since June 2011.	11,250

Notes:

1. The information as to country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors and/or officers individually.
2. Member of the audit committee of the Company (the "**Audit Committee**").
3. The information as to number of Shares beneficially owned or over which a director or officer exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors and/or officers individually and reviewed based upon public disclosure.
4. Includes: (i) 8,230,000 Common Shares held through Chuck Rifici Holdings Inc., and (ii) 36,231,276 Common Shares held through Nesta Holding Co. Ltd., a private company of which Chuck Rifici is the CEO and owns 53.8% of its common shares.
5. Includes 6,000,000 Common Shares held through Grandville Asset Management Limited, a private company wholly owned by Mr. Alves.
6. Included in this amount are 1,235,100 Shares over which Jeff Tung exercises control or direction through Ponte Capital Partners Ltd.
7. Included in this amount are 1,235,100 Shares over which Mike Lickver exercises control or direction through Ponte Capital Partners Ltd.

As at the date of this AIF, the directors and executive officers of the Company as a group beneficially owned, or controlled or directed, directly or indirectly, a total of 90,903,648 Shares, representing approximately 19.43% of the total number of Shares outstanding.

Management

The following is a brief description of the directors and officers of the Company:

Chuck Rifici

Chairman, Chief Executive Officer (Age 43)

Chuck is a true pioneer of the North American cannabis industry having founded Canopy Growth Corporation (formerly Tweed Marijuana Inc.) and building it into 500,000 sq. ft. of cannabis grow capacity as its Chief Executive Officer.

Chuck is currently Chief Executive Officer of Nesta Holding Co. Ltd., a private equity firm focused on cannabis opportunities in the United States, and Chairman of National Access Cannabis, a clinic chain helping patients access the Canadian federal medical cannabis program.

Chuck is a chartered professional accountant. He obtained his MBA from Queen's University and holds a Bachelor of Science in Computer Engineering from the University of Ottawa.

Hugo Alves

President & Director (Age 46)

Hugo is known as Canada's leading advisor in the cannabis industry, having represented a variety of global industry participants, including Licensed Producers, LP Applicants, Licensed Dealers, e-commerce platforms, seed-to-sale software developers, design and build firms, patient aggregators, equipment manufacturers and distributors, and cannabis branding companies. Hugo has acted as lead counsel or played a key role in a wide variety of transactions since the inception of the cannabis industry in Canada and is widely regarded as a Canadian cannabis industry pioneer.

Prior to joining Cannabis Wheaton, Hugo was a senior corporate and commercial Partner at Bennett Jones LLP where he founded and built the firm's Cannabis Group.

Hugo obtained his B.A. from Carleton University, where he won the Senate Medal for Outstanding Academic Achievement and his J.D. from the University of Toronto.

Jeff Tung

Chief Financial Officer & Chief Operating Officer (Age 32)

Jeff brings significant senior leadership and finance expertise to the Company. He has managed in the Telecom, Banking, Insurance and Technology industries.

Prior to joining the Company, Jeff was the co-founder of CPS Management Partners, where he led the acquisition of multiple businesses in the insurance administration industry. Under his leadership, CPS Management Partners and its portfolio companies became the largest workers' compensation claims administrator in Canada, returning internal rates of return in excess of 50% to investors. Other prior work experience includes Engagement Manager at McKinsey & Company, as well as various project and team management roles at SAP SE.

Jeff holds an MBA from the Richard Ivey School of Business, graduating at the top of his class, as well as a Bachelor of Computer Engineering from the University of British Columbia.

Ian Rapsey

Chief Creative Officer (Age 41)

Ian is an award-winning creative director that has worked closely with major local and international brands, including most recently, Canopy Growth Corporation (formerly Tweed Marijuana Inc.), a globally recognized and industry leading cannabis brand. While at Canopy Growth Corporation, Ian was also the creative lead for the rebrand of Bedrocan Canada. Currently, Ian is a co-founder and Chief Creative Officer for Nesta Holding Co. Ian is actively engaged in building the brands and creative strategies for Nesta Holding Co.'s portfolio companies – Wikileaf, Feather Company Ltd. and Nesta Brand Co.

Prior to his work in the cannabis industry, Ian was a creative lead in Toronto at several design and branding agencies - most notably Bruce Mau Design Inc. While at Bruce Mau Design Inc., Ian was responsible for the creative and strategic development of several branding initiatives including: SOM Architects, the Ontario Science Centre, Ask.com, and LEGO's VisionLAB. He was also the lead creative on NBBJ Architects publication series and design manifesto – Change Design. Ian obtained his diploma in graphic design from Algonquin College.

Brad McNamee

Chief Infrastructure Officer (Age 44)

Brad is a second-generation mechanical contractor specializing in HVAC design and design build services.

Most recently, Brad has focused his efforts in the cannabis industry after having been introduced to Canopy Growth Corporation in 2013. Brad was a key member of the original team tasked with pioneering a large scale indoor environmental production platform capable of delivering high yield, high quality product. Brad went on to help design and develop post production environments for trimming and processing, drying and curing, encapsulating and storing, medical cannabis. Since then, Brad has worked alongside, and led, a group of design and build experts in the medical cannabis industry at McNamee Plumbing & Heating Ltd.

Mike Lickver

Executive Vice President of Strategy (Age 33)

Mike is a corporate and commercial lawyer who specializes in all aspects of domestic and international commercial transactions. He is one of Canada's leading advisors in the Canadian cannabis industry, and has played a key role in a wide variety of domestic and international corporate and commercial transactions since the inception of the corporate cannabis industry in Canada. Mike speaks regularly at conferences across North America on topics related to the cannabis industry. A frequent author on the industry and also the Canadian Editor of the International Cannabis Law Journal.

Prior to joining Cannabis Wheaton, Mike co-founded the cannabis practice at Bennett Jones alongside partner Hugo Alves in 2013.

Mike earned Law (J.D.) and MBA degrees from the University of Western Ontario and the Richard Ivey School of Business.

Ian McKay

Director (Age 54)

Ian is the former Chief Executive Officer of the Vancouver Economic Commission. Prior to this appointment, he served as the national director for the Liberal Party of Canada. As a native of Penticton, B.C., he has led a distinguished career as an executive in international financial markets, as well as a political adviser to federal cabinet ministers. His career began in New York with Euro Brokers International, followed as managing director of Euro Brokers Tokyo, as joint managing director of Euro Brokers London and for ICAP Capital Markets as the director of business development in Canada. He served as senior policy advisor to the Minister of Industry and as the Liberal Party of Canada national director. He studied political science and Asian studies at the University of Victoria and the University of British Columbia, and holds an MBA from Queen's University.

Brandon Boddy

Director (Age 35)

Brandon has over 10 years of finance and capital market experience. He formerly worked as an investment adviser at Jordan Capital Markets and Canaccord Capital, specializing in developing, restructuring and financing venture capital companies, including Versus Systems Inc. Brandon serves on the board of directors of a number of public technology and resource issuers. He was the Chief Executive Officer of Tiller Resources Ltd. and is currently a director of Moovly Media Inc. (MVY) Brandon attended the University of New Orleans, studying business administration, and finished his degree at British Columbia Institute of Technology.

Troy Grant

Director (Age 44)

Since 2000, Troy has held senior positions in the financial service sector, including head of corporate finance at Citadel Securities, focusing on the resource sector, and more recently as head of institutional European sales. He has also been instrumental in venture formation, financing and development of a number of resource, technology and agriculture companies operating globally. Mr. Grant is currently the Chief Executive Officer and director of Elcora Advanced Materials Corp., a TSXV-listed graphene materials company. Troy holds a BBA, economics, from Saint Francis Xavier University.

Term of Office

The term of office for each director of the Company expires immediately before each annual meeting of the shareholders of the Company.

Committees of the Board of Directors

The only standing committee of the Board is the Audit Committee, which is comprised of Troy Grant, Brandon Boddy and Ian McKay. The Company appointed Troy Grant to serve as the Chair of the Audit Committee. See "*Audit Committee Information*".

Corporate Cease Trade Orders or Bankruptcies

To the Company's knowledge, no director or officer of the Company, within 10 years of the date of this AIF, has been a director or officer of an organization that, while that person was acting in that capacity,

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the Company's knowledge, no director or officer, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable securityholder.

Personal Bankruptcies

To the Company's knowledge, within the 10 years before the date of this AIF, no director or officer of the Company has declared bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

Conflicts of Interest

Some of the directors and officers of the Company are also directors, officers and/or promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Company, notwithstanding that they are bound by the provisions of the *Business Corporations Act* (British Columbia), as amended, to act at all times in good faith in the interest of the Company and to disclose such conflicts to the Company if and when they arise. To the best of their knowledge, the management of the Company is not aware of the existence of any conflicts of interest between any of the directors and officers of the Company as of the date of this AIF, other than as disclosed herein.

AUDIT COMMITTEE INFORMATION

The Audit Committee is governed by an Audit Committee Charter, a copy of which is attached hereto as Schedule "A".

Composition of the Audit Committee

As of the date of this AIF, the following were the members of the Audit Committee:

<u>Name</u>	<u>Independence</u>	<u>Financial Literacy</u>
Troy Grant	Yes	Yes
Brandon Boddy	Yes	Yes
Ian McKay	Yes	Yes

Relevant Education and Experience

The Board believes that the composition of the Audit Committee reflects financial literacy and expertise. Currently, all members of the Audit Committee have been determined by the Board to be "independent" and "financially literate" as such terms are defined under National Instrument 52-110 – *Audit Committees*. The Board has made these determinations based on the education as well as breadth and depth of experience of each member of the Audit Committee.

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements. The following is a brief summary of the education and experience of each member of the Committee that is relevant to the performance of his or her responsibilities as an Audit Committee member:

Troy Grant, Director

Troy Grant is a graduate of St. Francis Xavier University with a Bachelor of Business and has spent most of his working career in the brokerage business. As a result of his business and public company experience Mr. Grant has become familiar with public company financial statements and the accounting principles used in reading and preparing financial statements.

Brandon Boddy, Director

Brandon Boddy has over 9 years of finance and capital market experience. He is currently the President of Boddy and Co. Investments Ltd. He formerly worked as an investment advisor at Jordan Capital Markets and Canaccord Capital Corp., Canada's largest independent securities dealer covering the North American capital markets specializing in developing, restructuring and financing venture capital companies. Mr. Boddy attended the University of New Orleans studying Business Administration and finished his degree at British Columbia Institute of Technology.

Ian McKay, Director

Ian is the former Chief Executive Officer of the Vancouver Economic Commission. Prior to this appointment, he served as the national director for the Liberal Party of Canada. As a native of Penticton, B.C., he has led a distinguished career as an executive in international financial markets, as well as a political adviser to federal cabinet ministers. His career began in New York with Euro Brokers International, followed as managing director of Euro Brokers Tokyo, as joint managing director of Euro Brokers London and for ICAP Capital Markets as the director of business development in Canada. He served as senior policy advisor to the Minister of Industry and as the Liberal Party of Canada national director. He studied political science and Asian studies at the University of Victoria and the University of British Columbia, and holds an MBA from Queen's University.

Pre-Approval Policies and Procedures

The Audit Committee of the Company has adopted specific policies and procedures for the engagement of non-audit services. The auditors may not act in any capacity where they function as management, or serve in an advocacy role on behalf of the Company. Various audit related services provided by the auditors have been pre-approved. Management is required, however, to obtain pre-approval of the Audit Committee for services where engagement fees are expected to exceed \$25,000. Where fees for a particular engagement are expected to be less than or equal to \$25,000, the Chairman of the Audit Committee is to be notified expeditiously of the commencement of such services. If an engagement with the auditors for a particular service is contemplated that is neither expressly forbidden nor covered under the following range of services provided for in the Audit Committee's "Pre-approved Services List", such an engagement must be pre-approved. The Audit Committee has delegated the authority to effect such pre-approval to the Chairman of the Audit Committee. Pre-approved non-audit services shall be provided pursuant to an engagement letter signed by the auditors which shall set out the particular non-audit services to be provided. At every regularly scheduled meeting of the Audit Committee, management is required to report on all new pre-approved engagements of the auditors since the last such report.

External Auditor Service Fees (By Category)

The following table summarizes the fees paid to the external auditors of the Company, in each of the last two fiscal years.

<u>Fiscal Year</u>	<u>Audit Fees</u>	<u>Audit-Related Fees</u>	<u>Tax Fees</u>	<u>All Other Fees</u>
2017	\$28,500	\$45,666	\$-	\$29,267
2016	\$20,000	\$2,500	\$-	\$-

Notes:

1. "**Audit Fees**" include fees necessary to perform the annual audit of the Company's consolidated financial statements.
2. "**Audit-Related Fees**" include other services that are performed by the auditor such as consultations or internal control reviews.
3. "**Tax Fees**" include fees for tax compliance, tax planning and tax advice. These services include preparing tax returns and corresponding with government tax authorities.
4. "**All Other Fees**" include all other non-audit services.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not aware of: (a) any legal proceedings to which it is a party, or by which any of its property is subject, which would be material to it and are not aware of any such proceedings being contemplated; (b) any penalties or sanctions imposed by a court relating to securities legislation, or other penalties or sanctions imposed by a court or regulatory body against it that would likely be considered important to a reasonable investor making an investment decision; or (c) any settlement agreements that we have entered into before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, there are no material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any informed persons of the Company, directors, proposed directors or officers of the Company, any shareholder who beneficially owns more than ten percent (10%) of the Shares of the Company, or any associate or affiliate of these persons in any transaction since the commencement of the Company's last completed financial year or in any proposed transaction, which has materially affected or would materially affect the Company other than as disclosed herein or in the financial statements of the Company for the financial year ended December 31, 2017. Reference should be made to the notes to the audited financial statements for a more detailed description of any material transaction.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Company is Computershare Trust Company of Canada, located at its principal offices in Vancouver, British Columbia.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, there were no contracts entered into by the Company prior to the date hereof or proposed to be entered into that is currently considered to be material.

INTERESTS OF EXPERT

The financial statements of the Company for the fiscal year ended December 31, 2017 have been audited by the MNP LLP, the auditors of the Company, located at Suite 2200, 1021 West Hastings Street, Vancouver, BC, V6E 0C3, Canada. MNP LLP is independent of the Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information concerning the Company, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under the Company's equity compensation plans, is contained in the information circular of the Company dated May 7, 2018 prepared in connection with the annual and special meeting of the shareholders of the Company to be held on June 1, 2018.

Additional financial information concerning the Company, including the Company's audited financial statements, the notes thereto, the auditor's report thereon and related management's discussion and analysis for the year ended December 31, 2017, can be found on the Company's profile on SEDAR at www.sedar.com

Additional information relating to the Company may be found on the Company's profile on SEDAR at www.sedar.com.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

Cannabis Wheaton Income Corp.

Purpose and Objectives

The Audit Committee is a committee of the Board. Its primary functions are to assist the Board in fulfilling its oversight responsibilities relating to the integrity of the Company's financial statements, its management's discussion and analysis, material press releases, the engagement and recommendation of compensation of independent auditors, the evaluation of the independent auditors' qualifications, independence and performance, and the performance of the Company's internal accounting procedures. The Audit Committee also prepares reports, if and when required, for inclusion by the Audit Committee in the Company's disclosure documents and enhances communication between management, independent auditors and the Board.

Composition and Process

- The Board shall appoint members of the Audit Committee annually. The Audit Committee shall be composed of not less than three members of the Board, a majority of whom shall be, in the determination of the Board, "independent" as that term is defined by National Instrument 52-110 – Audit Committees, as amended from time to time. Members shall be appointed by the Board on an annual basis, shall serve a one-year term and may serve consecutive terms, which are encouraged to ensure continuity of experience. The Board shall fill any vacancy in the event the Audit Committee has less than three members and may remove members by resolution.
- Each member of the Audit Committee shall, by virtue of education or experience, be financially literate. Financial literacy is the ability to read and understand a balance sheet, income statement and cash flow statement that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- A quorum for a meeting of the Audit Committee shall be a majority of the members present in person or, by telecommunications device. The Audit Committee shall meet quarterly or more frequently at the discretion of the members of the Audit Committee as circumstances require.
- The Audit Committee shall select a Chairman from amongst their members. The Chair of the Committee shall be appointed by the Board for a one-year term, and may serve any number of consecutive terms. If the Chairman is not present at a meeting of the Audit Committee, a Chairman shall be selected from amongst the members present.
- The Audit Committee shall, as it determines necessary, have the authority to select, engage and remunerate independent counsel and other advisers to assist in carrying out the Audit Committee's duties at the expense of the Company.
- In discharging its duties under this Charter, the Audit Committee may investigate any matter brought to its attention and shall have access to all books, records, facilities and personnel of the Company, may conduct meetings or interview any officer or employee of the Company, the Company's legal counsel, independent auditors and consultants and may invite any such persons to attend any part of any meeting of the Audit Committee.

- The Audit Committee may designate one or more subcommittees consisting of at least one member to address specific issues on behalf of the Audit Committee.
- The Audit Committee shall regularly report to the Board on its activities.
- The Audit Committee shall review and reassess the adequacy of the Charter annually and submit any proposed changes to the Board for approval.
- The Audit Committee shall perform such other functions as are assigned by law and the, and on the instructions of the Board.
- The Audit Committee has neither the duty nor the responsibility to conduct audit, accounting or legal reviews. The Company's independent auditors are responsible for auditing those financial statements.

Functions

- Independent Auditor
 - The Audit Committee shall be directly responsible for the appointment, termination, compensation, retention and oversight of the work of the independent auditing firm employed by the Company (including resolution of disputes between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The Audit Committee's independent auditor is subject to shareholder approval as required by law.
 - The independent auditor shall report directly to the Audit Committee.
 - All auditing services and permitted non-audit services provided to the Company by the independent auditor shall be pre-approved by the Audit Committee and the Audit Committee shall consider whether the provision of any non-audit services is compatible with the auditor's independence.
 - The Audit Committee shall evaluate, at least annually, the auditor's qualifications, performance and independence. The Audit Committee shall present its conclusions with respect to the independent auditor to the Board.
 - Employees or former employees of the independent auditor shall not be hired by the Company without the prior approval of the Audit Committee.
- Authority
 - Primary responsibility for the Company's financial reporting, accounting systems and internal controls is vested in senior management and is overseen by the Board. The Audit Committee is a standing committee of the Board established to assist it in fulfilling its responsibilities in this regard. The Audit Committee shall have responsibility for overseeing management reporting on internal controls. While it is management's responsibility to design and implement an effective system of internal control, it is also the responsibility of the Committee to ensure that management has done so.
 - The Audit Committee shall have unrestricted access to the Company's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.

- The Audit Committee shall have direct communication channels with the internal auditors (if any) and the external auditors to discuss and review specific issues as appropriate.
- The Audit Committee shall have the sole authority to retain (or terminate) advisors or consultants as it determines necessary to assist the Committee in discharging its functions hereunder. The Committee shall be provided with the necessary funding to compensate the advisors or consultants retained by the Committee.
- Accounting Systems, Internal Controls and Procedures
 - The Audit Committee shall obtain reasonable assurance from discussions with and/or reports from management, and reports from external auditors that accounting systems are reliable and that the prescribed internal controls are operating effectively for the Company and its subsidiaries and affiliates.
 - The Audit Committee shall review to ensure to its satisfaction that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements and will periodically assess the adequacy of those procedures.
 - The Audit Committee shall review with the external auditor the quality and not just the acceptability of the Company's accounting principles and direct the external auditor's examinations to particular areas.
 - The Audit Committee will review control weaknesses identified by the external auditors, together with management's response and review with external auditors their view of the qualifications and performance of the key financial and accounting executives.
 - The Audit Committee will review with management and with the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting.
 - The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
 - The Audit Committee shall review and approve the Company's hiring policies regarding employees and employees of the present and former external auditor of the Company.