

## FORM 8

### NOTICE OF PROPOSED PROSPECTUS OFFERING

Please complete the following:

Name of Listed Issuer: Chemistree Technology Inc. (the "Issuer").

Trading Symbol: CHM

Date: February 5, 2019

Is this an updating or amending Notice:  Yes  No

If yes provide date(s) of prior Notices: N/A.

Issued and Outstanding Securities of Issuer Prior to Proposed Prospectus Offering: 34,233,589 Common Shares and 13,568,596 Warrants, as at February 5, 2019.

Date of News Release Announcing Proposed Prospectus Offering: February 5, 2019 (or provide explanation if news release not disseminated yet and expected date or circumstances that are expected to trigger news release dissemination)

#### 1. Prospectus Offering

1. Description of securities to be issued:

- (a) Class: Debenture units (the "Debenture Units") consisting of one 10% unsecured convertible debenture of the Issuer in the principal amount of \$1,000 (each, a "Debenture") with interest payable semi-annually in arrears on June 30 and December 31 of each year, commencing June 30, 2019 (each, an "Interest Payment Date") and maturing three years from the date the Debentures are issued (the "Maturity Date"), and common share purchase warrants of the Issuer (each, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Common Share (each, a "Warrant Share") for a period of 36 months at an exercise price of \$0.70. The number of Warrants comprising each Debenture Unit will be determined through discussions between the Issuer and the Agent and in the context of the market. Please refer to the "Description of the Securities being Distributed" heading in the Issuer's preliminary short-form prospectus (the "Prospectus"), attached hereto, for full details.
- (b) Number: To be determined.

- (c) Price per security: \$1,000 per Debenture Unit. .
- (d) Voting rights: One vote per Common Share. .
2. Provide details of the net proceeds to the Issuer as follows:
- (a) Per security: To be determined. .
- (b) Aggregate proceeds: To be determined. .
3. Provide description of any Warrants (or options) including:
- (a) Number: 2,000. .
- (b) Number of securities eligible to be purchased on exercise of Warrants (or options): Each Warrant shall be exercisable into one Common Share. .
- (c) Exercise price: \$0.70. .
- (d) Expiry date: 36 months from the date of issuance. .
- (e) Other significant terms: N/A. .
4. Provide the following information if debt securities are to be issued:
- (a) Aggregate principal amount: \$1,000. .
- (b) Maturity date: Three years from the issuance date. .
- (d) Conversion terms: Each Debenture will be convertible at the option of the holder of the Debenture (each, a "Debentureholder") into Common Shares (the "Debenture Shares") at any time prior to the earlier of: (i) the last business day immediately preceding the Maturity Date; and (ii) the business day immediately preceding the date specified for redemption of the Debentures upon a change of control, at a conversion price of \$0.50 per Debenture Share (the "Conversion Price"), subject to adjustment in certain events. Upon conversion, Debentureholders will receive accrued and unpaid interest thereon for the period from and including the date of the latest Interest Payment Date to, and including, the date of conversion. Please refer to the "Description of the Securities being Distributed" heading in the Prospectus, attached hereto, for full details. .

- (e) Default provisions: Please refer to the “Description of the Securities being Distributed” heading in the Prospectus, attached hereto, for full details.
5. Details of currently issued and outstanding shares of each class of shares of the Issuer: 34,233,589 Common Shares and 13,568,596 Warrants, as at February 5, 2019.
6. Describe any unusual particulars of the offering (i.e. tax “flow through” shares, special warrants, etc.):  
N/A.
7. Provide details of the use of the proceeds: The Issuer intends to use the net proceeds of the Offering to (i) finance its Washington facilities expansion; (ii) expand its California brands; (iii) complete Phase 1 of its DHS Land development; (iv) fund Phase 2 of its DHS Land development, including the construction of two 64,000 sq. ft. cultivation greenhouses and a 40,000 sq. ft. processing building; and (v) working capital and general corporate purposes, general corporate purposes. Please refer to the “Use of Proceeds” heading in the Prospectus, attached hereto, for full details.
8. Provide particulars of any proceeds of the offering which are to be paid to Related Persons of the Issuer: N/A.
9. Provide details of the amounts and sources of any other funds that will be available to the Issuer prior to or concurrently with the completion of the offering: N/A.
10. Provide the following information for any agent’s fee, commission, bonus or finder’s fee, or other compensation paid or to be paid in connection with the offering (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker, finder or other person receiving compensation in connection with the offering (name, address, beneficial ownership where applicable): Canaccord Genuity Corp. (the “Agent”) acting as sole book-runner.

- (b) Cash: The Issuer has agreed to pay a cash commission to the Agent equal to 7.0% of the gross proceeds of the Offering, including in respect of any Additional Units (as defined in the Prospectus) issued upon exercise of the Over-Allotment Option (as defined in the Prospectus). Please refer to the “Plan of Distribution” heading in Prospectus, attached hereto, for full details. .
- (c) Securities: The Issuer has agreed to issue to the Agent non-transferable broker warrants (the “**Broker Warrants**”) to purchase such number of Debenture Units (collectively, the “**Broker Units**”) as is equal to 7.0% of the number of Debenture Shares that would be issued assuming the conversion of 100% of the Debentures making up the Debenture Units sold under the Offering (including any Debentures making up Debenture Units sold pursuant to the Over-Allotment Option) at the Conversion Price. Each Broker Unit will consist of one Common Share (a “**Broker Unit Share**”) and one-half of a Common Share purchase warrant (each whole warrant, a “**Broker Unit Warrant**”). Each Broker Unit Warrant entitles the holder thereof the right to purchase one Common Share (each, a “**Broker Warrant Share**”) at the Warrant Exercise Price, at any time up to 36 months following the issuance of the Broker Unit Warrants. Please refer to the “Plan of Distribution” heading in Prospectus, attached hereto, for full details. .
- (d) Other: As additional consideration for the services rendered in connection with the Offering, the Company has agreed to: (a) pay the Agent a corporate finance fee of \$150,000 (the “**Corporate Finance Fee**”) payable on the Closing Date, of which \$75,000 will be paid in cash and \$75,000 will be paid in Common Shares issued at the Conversion Price. Please refer to the “Plan of Distribution” heading in Prospectus, attached hereto, for full details. .
- (e) Expiry date of any options, warrants etc.: 36 months following the issuance of the Broker Warrants. .
- (f) Exercise price of any options, warrants etc.: \$0.70. .
11. State whether the sales agent, broker, dealer, finder, or other person receiving compensation in connection with the offering is a Related Person of the Issuer with details of the relationship: N/A. .
12. Provide details of the manner in which the securities being offered are to be distributed. Include details of agency agreements and sub-agency agreements outstanding or proposed to be made including any assignments or proposed

assignments of any such agreements and any rights of first refusal on future offerings: The Debenture Units to be issued under the offering will be issued pursuant to the terms of an agency agreement between the Issuer and the Agent (the "Agency Agreement"), which will be entered into concurrently with the filing of the Issuer's final short-form prospectus. Please refer to the "Plan of Distribution" heading in Prospectus, attached hereto, for full details.

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13. Attach any term sheet, engagement letter or other document setting out terms, conditions or features of the proposed offering.

Please refer to the Prospectus, attached hereto, for full details of the proposed offering.

### **Certificate of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance on behalf of the Issuer.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 8 Notice of Proposed Prospectus Offering is true.

Dated February 5, 2019.

Douglas Ford  
Name of Director or Senior Officer

"Douglas E. Ford"  
Signature

Director and CFO  
Official Capacity