FORM 9

NOTICE OF PROPOSED ISSUANCE OF LISTED SECURITIES

(or securities convertible or exchangeable into listed securities)

Please complete the following:

Name of Listed Issuer: **Heritage Cannabis Holdings Corp.** (the “**Issue**r”)

Trading Symbol: **“CANN”**

Date: **November 1, 2018**

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 Issuance**: 203,469,450**

Date of News Release Announcing Private Placement: **October 18, 2018**

Closing Market Price on Day Preceding the Issuance of the News Release: **$0.28**

**1. Private Placement (if shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition), proceed to Part 2 of this form)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Full Name & Residential Address of Placee** | **Number of Securities Purchased or to be Purchased** | **Purchase price per Security (CDN$)** | **Conversion**  **Price (if**  **Applicable)** | **Prospectus Exemption** | **No. of Securities, directly or indirectly, Owned, Controlled or Directed** | **Payment Date(1)** | **Describe relations-hip to Issuer (2)** |
| **To be determined** | | | | | | | |

1. Indicate date each placee advanced or is expected to advance payment for securities. Provide details of expected payment date, conditions to release of funds etc. Indicate if the placement funds been placed in trust pending receipt of all necessary approvals.
2. Indicate if Related Person.

1An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

1. Total amount of funds to be raised: **Up to $7,500,000.00** .

2. Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material. **The net proceeds will be used to fund internal capacity expansion, purchase extraction equipment and for other general corporate purposes**

1. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: **See item 2 above.**
2. If securities are issued in forgiveness of indebtedness, provide details and attach the debt agreement(s) or other documentation evidencing the debt and the agreement to exchange the debt for securities.
3. Description of securities to be issued:
4. Class **Special Warrants. Each Special Warrant shall entitle the holder thereof to receive, subject to adjustment in certain circumstances without payment of additional consideration, one unit of the Company (a “Unit”). Each Unit will be comprised of one common share (a “Common Share”) in the capital of the Company and one Common Share purchase warrant (a “Warrant”). Each Warrant will entitle the holder to acquire one Common Share (a “Warrant Share”) at a price of $0.35 per Warrant Share on a date that is the earlier of (i) 30 months following the closing of the private placement and (ii) the date specified in any Warrant Acceleration Notice (as defined below).**

**If, at any time after the earlier of the third business day following the date on which a final receipt is obtained from the British Columbia Securities Commission for a final short form prospectus qualifying the distribution of the Common Shares and Warrants or on the date which is four months and a day following the closing of the private placement, the volume-weighted average trading price of the common shares of the Company is equal to or greater than $0.50 for any 20 consecutive trading day period, the Company may provide written notice to the warrant indenture trustee and the registered holders of Warrants (a “Warrant Acceleration Notice”) that the expiry time of the Warrants shall be accelerated to the date which is 30 days after the date of such Warrant Acceleration Notice, subject to CSE approval. The Special Warrants will be exercisable by the holders thereof at any time after the Closing Date for no additional consideration**.

(b) Number **Up to 30,000,000**

(c) Price per security **$0.25 per Special Warrant (the “Issue Price”)**

(d) Voting rights **None. The common share issued on conversion of the Special Warrants will have one vote per common share.**

1. Provide the following information if Warrants, (options) or other convertible securities are to be issued:

(a) Number **Up to 30,000,000**

1. Number of securities eligible to be purchased on exercise of Warrants (or options) **Up to 30,000,000 common shares**

(c) Exercise price **$0.35 per Warrant Share**

(d) Expiry date **See Item 5(a) above.**

## Provide the following information if debt securities are to be issued: N/A

(a) Aggregate principal amount

(b) Maturity date

(c) Interest rate

(d) Conversion terms

(e) Default provisions

1. 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 placement (including warrants, options, etc.):

(a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): **Cormark Securities Inc., as sole bookrunner and lead agent (the “Lead Agent”), and Canaccord Genuity Corp. (together with the Lead Agent, the “Agents”)**

(b) Cash **The Agents will receive a cash fee (the “Agents’ Commission”) equal to 6% of the gross proceeds received by the Corporation from the Offering (including any gross proceeds from the sale of the additional Special Warrants pursuant to the Agents’ Option).**

(c) Securities **The Agents shall be issued broker warrants (the “Broker Special Warrants”) equal to 6% of the aggregate number of Special Warrants sold hereunder (including from the sale of the additional Special Warrants pursuant to the Agents’ Option). Each Broker Special Warrant will entitle the holder thereof to receive one broker warrant of the Corporation (each a “Broker Warrant”) on the exercise or deemed exercise of each Broker Special Warrant.**

(d) Other **The Company has granted the Agents an option (the “Agents’ Option”), exercisable in whole or in part, at the Issue Price at any time until the closing of the Offering, to purchase up to an additional 15% of the Offering (4,500,000 Special Warrants)**

(e) Expiry date of any options, warrants etc. **Broker Warrants expire 30 months from the closing of the Private Placement. The Agents’ Option is exercisable until closing of the Offering.**

(f) Exercise price of any options, warrants etc. **$0.25 (See Item 8(c)(d) above).**

1. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship. **Not applicable.**
2. Describe any unusual particulars of the transaction (i.e. tax “flow through” shares, etc.). **Not applicable.**
3. State whether the private placement will result in a change of control. **No.**
4. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders. **N/A**

1. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by National Instrument 45-102. **Confirmed.**

**2. Acquisition Not applicable**

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: **N/A**
2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material:
3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:
4. Total aggregate consideration in Canadian dollars:
5. Cash:
6. Securities (including options, warrants etc.) and dollar value:
7. Other:
8. Expiry date of options, warrants, etc. if any:
9. Exercise price of options, warrants, etc. if any:
10. Work commitments:
11. State how the purchase or sale price was determined (e.g. arm’s-length negotiation, independent committee of the Board, third party valuation etc).
12. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer:
13. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name of Party (If not an individual, name all insiders of the Party)** | **Number and Type of Securities to be Issued** | **Dollar value per Security (CDN$)** | **Conversion price (if applicable)** | **Prospectus Exemption** | **No. of Securities, directly or indirectly, Owned, Controlled or Directed by Party** | **Describe relationship**  **to Issuer (1)** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

1. Indicate if Related Person
2. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired:
3. 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 acquisition (including warrants, options, etc.):

(a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer):

(b) Cash

(c) Securities

(d) Other

1. Expiry date of any options, warrants etc.
2. Exercise price of any options, warrants etc.
3. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship.
4. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months.

**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.

1. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
2. 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 CSE Policy 1).
3. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated .

Name of Director or Senior Officer

Signature

Official Capacity