

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus supplement (the “**Prospectus Supplement**”), together with the accompanying short form base shelf prospectus dated March 10, 2021 (the “**Base Prospectus**”) to which it relates, as amended or supplemented, (this Prospectus Supplement and the Base Prospectus are together the “**Prospectus**”) and each document incorporated or deemed to be incorporated by reference herein and therein, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons authorized to sell such securities.*

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. person or any person in the United States absent an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of a U.S. person or person within the United States. “United States” and “U.S. person” are as defined in Regulation S under the U.S. Securities Act. See “Plan of Distribution”.*

Information has been incorporated by reference in this Prospectus Supplement and the accompanying Base Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Hollister Biosciences Inc. at 1802 Shelton Drive, #102, Hollister, CA, 95023, Telephone: 604-961-0296 (attention: Corporate Secretary), and are also available electronically at www.sedar.com.

PROSPECTUS SUPPLEMENT
To the Short Form Base Shelf Prospectus dated March 10, 2021

New Issue

March 12, 2021



HOLLISTER BIOSCIENCES INC.

\$7,896,809

21,635,094 Units Issuable on Exercise of 21,635,094 Special Warrants

Hollister Biosciences Inc. (“we”, “**Hollister**” or the “**Company**”) is hereby qualifying for distribution 21,635,094 units (the “**Units**”) of the Company issuable upon the automatic exercise of 21,635,094 special warrants (the “**Special Warrants**”) previously issued on March 2, 2021 (the “**Closing Date**”), at a price of \$0.365 per Special Warrant (the “**Offering Price**”), to purchasers resident in each of the Provinces of British Columbia, Ontario and New Brunswick and to certain purchasers outside of Canada on a private placement basis pursuant to prospectus exemptions under applicable securities legislation, for aggregate gross proceeds to the Company of approximately \$7,896,809 (the “**Offering**”). Each Unit consists of one common share (a “**Unit Share**”) in the capital of the Company and one-half of one common share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant will entitle the

holder to purchase one common share of the Company (each, a “**Warrant Share**”) at a price of \$0.50 per Warrant Share at any time until 4:00pm (Pacific Time) on January 2, 2025. The Warrants are governed by the terms of a warrant indenture (the “**Warrant Indenture**”) between the Olympia Trust Company (the “**Warrant Agent**”) dated March 2, 2021. The Special Warrants were issued pursuant to the terms of a special warrant indenture (the “**Special Warrant Indenture**”) dated March 2, 2021 between the Company and Olympia Trust Company (“**Olympia**”) and an agency agreement dated March 2, 2021 (the “**Agency Agreement**”) among the Company and Eight Capital (the “**Lead Agent**”), Haywood Securities Inc. and Paradigm Capital Inc. (collectively with the Lead Agent, the “**Agents**”). The Offering Price and other terms of the Offering were determined by arm’s length negotiation between the Company and the Lead Agent. The Units will separate into Unit Shares and Warrants immediately upon issue. This Prospectus Supplement qualifies for distribution the Units, the Unit Shares and Warrants. See “Plan of Distribution”.

The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company or the Agents from the distribution of the Units upon exercise of these Special Warrants.

The Company’s outstanding common shares (the “**Common Shares**”) are listed and posted for trading on the Canadian Securities Exchange (“**CSE**”) under the symbol “HOLL”, on the OTCQB under the symbol “HSTRF” and on the Frankfurt Stock Exchange (“**FRA**”) under the symbol “HOB”. On January 19, 2021 the last trading day prior to the announcement of the Offering, the closing price per Common Share on the CSE, the OTCQB and the FRA was \$0.45, US\$0.35 and €0.282, respectively. On March 11, 2021, the closing price per Common Share on the CSE, the OTCQB and the FRA was \$0.40, US\$0.3234 and €0.252, respectively.

The Company has given notice to the CSE to list the Unit Shares and the Warrant Shares (including the Unit Shares and Warrant Shares underlying the Broker Warrants (as defined herein)) on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE.

There is no market through which the Special Warrants or the Warrants may be sold and purchasers may not be able to resell the Special Warrants or the Warrants acquired pursuant to the Offering. This may affect the pricing of the Special Warrants and the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Special Warrants and the Warrants and the extent of issuer regulation. See “Risk Factors”.

Price:
\$0.365 per Special Warrant

	Price to the Investors	Agents’ Commission ⁽¹⁾	Net Proceeds to the Company ^{(2) (3)}
Per Special Warrant.....	\$0.365	\$0.02555	\$0.33945
Per Special Warrant (President’s List)	\$0.365	\$Nil	\$0.365
Total.....	\$7,896,809.31	\$440,584.20	\$7,456,225.11

Notes:

- (1) In connection with the Offering and pursuant to the Agency Agreement, the Agents received aggregate cash commissions of \$440,584.20, equal to 7% of the gross proceeds raised under the Offering, excluding from persons or entities on the president’s list of the Company (the “**President’s List**”) (the “**Agents’ Commission**”). In addition to the Agents’ Commission, the Agents received (i) 1,207,080 special broker warrants (each, a “**Special Broker Warrant**”), equal to 7% of the number of Special Warrants issued under the Offering, excluding to persons or entities on the President’s List;

- (ii) a cash corporate finance fee equal to \$125,000 paid only to the Lead Agent (the “**Corporate Finance Fee**”); (iii) a cash advisory fee equal to \$85,500 (the “**Advisory Fee**”); and (iv) 234,500 Special Broker Warrants as additional advisory compensation. Each Special Broker Warrant entitles the holder, without payment of any further consideration, upon the automatic exercise of the Special Broker Warrant in accordance with the terms thereof, one broker warrant (each a “**Broker Warrant**”). Each Broker Warrant entitles the holder thereof to purchase one Unit at a price of \$0.365 per Unit at any time at or prior to 5:00 p.m. (Toronto time) on March 2, 2023. This Prospectus Supplement also qualifies the distribution of the Broker Warrants to the Agents. See “*Plan of Distribution*”.
- (2) After deducting the Agents’ Commission, but before deducting the Corporate Finance Fee, the Advisory Fee and the expenses of the Offering estimated at \$300,000, which were paid from the proceeds of the Offering.
- (3) The distribution of the Units upon automatic exercise of the Special Warrants pursuant to the terms of the Special Warrant Indenture will not result in any additional proceeds to the Company or the Agents.

The following table sets out the compensation securities issuable by the Company to the Agents in connection with the Offering:

<u>Agents’ Position</u>	<u>Maximum Size</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Special Broker Warrants ⁽¹⁾	1,441,580 Units underlying 1,441,580 Broker Warrants	At any time, and from time to time, until March 2, 2023	\$0.365 per Unit

Notes:

- (1) This Prospectus qualifies the distribution of the Broker Warrants issuable upon the automatic exercise of the Special Broker Warrants.

Each Special Warrant entitles the holder thereof to automatically acquire one Unit, subject to adjustments in certain circumstances, without payment of additional consideration on the Automatic Exercise Date (as defined herein). Pursuant to the terms of the Agency Agreement and the Special Warrant Indenture, the Company agreed to use commercially reasonable efforts to obtain (i) a receipt for a final short form prospectus by the securities regulators in each of the provinces of British Columbia, Ontario and New Brunswick (the “**Qualifying Jurisdictions**”), or (ii) file a prospectus supplement in the Qualifying Jurisdictions, in each case, to qualify for distribution the Units, the Unit Shares and Warrants issuable upon exercise of the Special Warrants and the Broker Warrants issuable upon exercise of the Special Broker Warrants (the “**Qualification Condition**”). Pursuant to the terms of the Special Warrant Indenture, the Special Warrants will be automatically exercised into the Units on the date (the “**Automatic Exercise Date**”) that is earlier of: (i) the third business day after the Qualification Condition is satisfied, and (ii) the date that is four months and one day following the closing date of the Offering, being July 3, 2021 (the “**Qualification Deadline**”). See “*Plan of Distribution*”.

NO CANADIAN SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Except for certain of the Special Warrants which have been issued in certificated form, the Special Warrants issued pursuant to the Offering have been registered as global securities in book-entry form in the name of CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee, and have been deposited with CDS. Where CDS is the holder of Special Warrants, holders of the applicable Units will receive only a customer confirmation from the Agents or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Units is acquired. Otherwise, the Unit Shares and Warrants underlying the Units will be issued in certificated form unless the holder tenders his, her or its Unit Shares and Warrants for deposit with CDS through a registered dealer who is a CDS participant. Certain legal matters in connection with the Offering are being reviewed on behalf of the Company by McMillan LLP and on behalf of the Agents by Borden Ladner Gervais LLP.

Investors should rely only on current information contained in or incorporated by reference into this Prospectus Supplement and the Base Prospectus as such information is accurate only as of the date of the applicable document. The Company and the Agents have not authorized anyone to provide investors

with different information. Information contained on our website shall not be deemed to be a part of this Prospectus Supplement or incorporated by reference and should not be relied upon by prospective investors for the purpose of determining whether to invest in the securities. We will not make an offer of these securities where the offer or sale is not permitted. Investors should not assume that the information contained in this Prospectus Supplement is accurate as of any date other than the date on the face page of this Prospectus Supplement or the date of any documents incorporated by reference herein.

An investment in the Unit Shares or Warrants involves a high degree of risk. You should carefully review the risks outlined in this Prospectus Supplement, the Base Prospectus and in the documents incorporated by reference in this Prospectus Supplement and consider such risks in connection with an investment in the Unit Shares or Warrants. See “*Risk Factors*”.

Prospective investors should be aware that the acquisition of the securities described herein may have tax consequences in Canada. Investors should read the tax discussion in this Prospectus Supplement and the Base Prospectus and consult their own tax advisors with respect to their own particular circumstances. See “*Certain Canadian Federal Income Tax Considerations*”.

Carl Saling and Amasa Lacy are each directors and officers of the Company, and, in the case of Carl Saling, a promoter of the Company, and reside outside of Canada. They have each appointed McMillan LLP, located at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7, as agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person who resides outside of Canada, even if the party has appointed an agent for service of process.

All references in this Prospectus Supplement and the Base Prospectus to “dollars” or “\$” are to Canadian dollars, unless otherwise stated.

The Company’s head office is located at 1802 Shelton Drive, #102, Hollister, California 95023 and its registered and records office is located at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

This Prospectus Supplement describes the securities of an entity that currently derives a portion of its revenues from the cannabis industry in certain states of the United States, which industry is illegal under United States federal law. The Company, or a United States (“U.S.”) subsidiary of the Company, is directly participating in the recreational cannabis industry in the State of California and Arizona where local state laws permit such activities.

As of the date of this Prospectus Supplement, 36 states, plus the District of Columbia (and the territories of Guam, Puerto Rico, the U.S. Virgin Islands and the Northern Mariana Islands), have legalized the cultivation and sale of cannabis for medical purposes. In 14 states, the sale and possession of cannabis is legal for both medical and adult use, and the District of Columbia has legalized adult use but not commercial sale. On November 3, 2020, voters in South Dakota approved the legalization of recreational use of cannabis via a constitutional amendment, which comes into effect on July 1, 2021. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a Schedule I controlled substance under the *Controlled Substances Act* (the “CSA”) in the United States and as such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under United States federal law. There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Further, strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under United States federal law, nor will it provide a defence to any federal proceeding which may be brought against the Company. Any such proceedings brought against the Company may adversely affect the Company’s operations and financial performance.

As a result of the conflicting views between U.S. state legislatures and the U.S. federal government regarding cannabis, investments in cannabis businesses in the U.S. are subject to inconsistent legislation and regulation. Unless and until the U.S. Congress amends the CSA with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, which may adversely affect the current and future business and investments of the Company in the U.S. As such, there are a number of risks associated with the Company’s intended business and investments in the U.S.

For the reasons set forth above, the Company’s intended interests in the U.S. cannabis market may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. There are a number of risks associated with the business of the Company. See further descriptions of these risks under the heading “*Risk Factors*” in this Prospectus Supplement, the Base Prospectus and the AIF (as defined herein).

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IMPORTANT NOTICE ABOUT THE INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE BASE PROSPECTUS

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the Offering and securities being distributed hereunder and also adds to and updates information contained in the Base Prospectus and the documents that are incorporated by reference into this Prospectus Supplement and the Base Prospectus. The second part is the Base Prospectus, which provides more general information, some of which may not apply to the securities being distributed hereunder. This Prospectus Supplement is deemed to be incorporated by reference into the Base Prospectus solely for the purposes of the Offering. Other documents are also incorporated or deemed to be incorporated by reference into this Prospectus Supplement and into the Base Prospectus. See “*Documents Incorporated by Reference*”.

The Company is not, and the Agents are not, making an offer to sell or seeking offers to buy securities in connection with this Prospectus.

You should rely only on the information contained in or incorporated by reference in this Prospectus Supplement and the Base Prospectus. If the description of the Unit Shares and Warrants varies between this Prospectus Supplement and the Base Prospectus, you should rely on the information in this Prospectus Supplement. To the extent that any statement made in this Prospectus Supplement differs from those in the Base Prospectus, the statements made in the Base Prospectus and the information incorporated by reference herein and therein are deemed modified or superseded by the statements made by this Prospectus Supplement. The Company and the Agents have not authorized any other person to provide investors with additional or different information. If anyone provides you with any additional, different or inconsistent information, you should not rely on it.

You should not assume that the information contained in or incorporated by reference in this Prospectus Supplement or the Base Prospectus is accurate as of any date other than the date of the document in which such information appears. Our business, financial condition, results of operations and prospects may have changed since those dates. Information in this Prospectus Supplement updates and modifies the information in the Base Prospectus and information incorporated by reference herein and therein.

This Prospectus Supplement does not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this Prospectus Supplement by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

In this Prospectus Supplement, “Hollister”, “we”, “us” and “our” refers, collectively, to Hollister Biosciences Inc. and our subsidiaries.

Unless otherwise indicated, all financial information included or incorporated by reference in this Prospectus Supplement, the Base Prospectus and the documents incorporated by reference herein and therein has been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (“IFRS”), and as set out in Part I of the Handbook of the Chartered Professional Accountants of Canada.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed, as of the date hereof, to be incorporated by reference into the accompanying Base Prospectus solely for the purposes of the Offering.

Information has been incorporated by reference in this Prospectus Supplement from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may also be obtained on request without charge from charge from Hollister Biosciences Inc., 1802 Shelton Drive, #102, Hollister, California 95023, Telephone: (604) 961-0296. In addition, copies of the documents incorporated by reference herein may be obtained electronically on SEDAR, at www.sedar.com.

The following documents (“**documents incorporated by reference**” or “**documents incorporated herein by reference**”) that we have filed with the securities regulatory authorities in the jurisdictions in Canada in which the Company is a reporting issuer are specifically incorporated by reference into, and form an integral part of, this Prospectus Supplement:

1. the annual information form of the Company for the year ended December 31, 2019, dated August 28, 2020 (the “**AIF**”);
2. the audited annual consolidated financial statements of the Company, and the notes thereto for the years ended December 31, 2019 and 2018, together with the auditors’ report thereon dated July 13, 2020 (the “**Annual Financial Statements**”);
3. the management’s discussion and analysis of financial condition and results of operations for the year ended December 31, 2019 (the “**Annual MD&A**”);
4. the amended and restated unaudited condensed interim consolidated financial statements of the Company, and the notes thereto for the three and nine months ended September 30, 2020, together with the notes thereto (the “**Interim Financial Statements**”);
5. the amended and restated management’s discussion and analysis of financial condition and results of operations for the three and nine months ended September 30, 2020 (the “**Interim MD&A**”);
6. the management information circular dated September 9, 2020 with respect to the Company’s annual general meeting held on October 16, 2020;
7. the business acquisition report (the “**Business Acquisition Report**”) of the Company dated July 24, 2020 filed in connection with the acquisition of Labtronix Inc., d/b/a Venom Extracts (“**Venom Extracts**”);
8. the material change report dated March 30, 2020 with respect to the closing of the acquisition of Venom Extracts;
9. the material change report dated May 5, 2020 with respect to the closing of the acquisition of Alphamind Brands Inc. (“**Alphamind**”);
10. the material change report dated August 11, 2020 with respect to closing of the Company’s \$1,500,000 non-brokered private placement of units; and
11. the material change report dated March 10, 2021 with respect to the closing of the Offering.

In addition, the Company also incorporates by reference into this Prospectus Supplement any document of the types referred to in the preceding paragraph, including all annual information forms, all information circulars, all annual and interim financial statements and management's discussion and analysis relating thereto, all material change reports (excluding confidential material change reports, if any), all business acquisition reports, all updated earnings coverage ratio information or of any other type required to be incorporated by reference into a short form prospectus pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* (“NI 44-101”) that are filed by us with a securities commission or similar authority in Canada subsequent to the date of this Prospectus Supplement and prior to the issuance of the Units upon conversion of the Special Warrants. To the extent that the Company files any additional prospectus supplements disclosing additional or updated information relating to the conversion of the Special Warrants with securities commissions or similar authorities in the relevant provinces of Canada after the date of this Prospectus Supplement and prior to the issuance of the Units hereunder, such additional prospectus supplements shall be deemed to be incorporated by reference into this Prospectus Supplement. As discussed below, this Prospectus Supplement may also expressly update or revise any document incorporated by reference and such document should be deemed so amended or updated hereby.

When new documents of the type referred to in the paragraph above are filed by the Company with the securities commissions or similar regulatory authorities in the jurisdictions in Canada in which the Company is a reporting issuer during the currency of this Prospectus Supplement, such documents will be deemed to be incorporated by reference in this Prospectus Supplement and the previous documents of the type referred to in the paragraph above will no longer be deemed to be incorporated by reference in this Prospectus Supplement.

Any statement contained in this Prospectus Supplement, the Base Prospectus or in a document (or part thereof) incorporated by reference herein or therein, or deemed to be incorporated by reference herein or therein, shall be deemed to be modified or superseded, for purposes of this Prospectus Supplement, to the extent that a statement contained in this Prospectus Supplement or in any subsequently filed document (or part thereof) that also is, or is deemed to be, incorporated by reference in this Prospectus Supplement or in the Base Prospectus modifies or replaces such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Prospectus Supplement or the Base Prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this Prospectus Supplement concerning the industry and markets in which the Company operates, including its general expectations and market position, market opportunity and market share is based on information from independent industry organizations, and other third-party sources (including industry publications, surveys and forecasts), and management estimates. Unless otherwise indicated, management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from the Company's internal research, and are based on assumptions made by the Company based on such data and its knowledge of such industry and markets, which it believes to be reasonable. The Company's internal research has not been verified by any independent source, and it has not independently verified any third-party information. While the Company believes the market position, market opportunity and

market share information included in this Prospectus Supplement is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the heading "*Risk Factors*" in this Prospectus Supplement, the Base Prospectus and the AIF.

FORWARD-LOOKING STATEMENTS AND FINANCIAL OUTLOOK INFORMATION

This Prospectus Supplement contains certain statements, which may constitute "forward-looking information" within the meaning of Canadian securities law requirements ("**forward-looking statements**"). These forward-looking statements are made as of the date of this Prospectus Supplement. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "pipeline", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Certain forward-looking statements in this Prospectus Supplement include, but are not limited to the following:

- the satisfaction of the Qualification Condition;
- the proposed use of proceeds of the Offering;
- the Company's expectations regarding its revenue, expenses and operations;
- the Company's intention to grow its business and its operations;
- the development/expansion of the Facility (as defined herein) and the respective costs and timing associated therewith;
- expectations with respect to future production costs and capacity;
- U.S. federal and state regulation of cannabis and cannabis related products, and any commentary related to the U.S. federal legalization of medical and recreational cannabis and the timing related to such legalization;
- the grant and impact of any license to conduct activities with cannabis or any amendments thereof;
- expectations with respect to the future growth of Company's anticipated medical and/or adult-use recreational cannabis products;
- expectations related to the Company's cannabis supply chain;
- the benefits, safety, efficacy, dosing and social acceptance of cannabis;
- the Company's competitive position and the regulatory environment in which the Company operates;
- effect of the novel coronavirus disease 2019 ("**COVID-19**") outbreak on the ability of the Company to carry on business; and
- the Company's anticipated cash needs and its needs for additional financing.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward looking statements included in this Prospectus Supplement, the Company has made various material assumptions, including but not limited to (i) obtaining the necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business and economic conditions; (iv) the Company's ability to successfully execute its plans and intentions; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company's competitors; and (ix) the Company will maintain its current good relationships with its suppliers, service providers and other third parties. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors" in this Prospectus Supplement, the Base Prospectus and the AIF, which include:

- the Company is a development stage company with little operating history, and a history of losses and the Company cannot assure profitability;
- the Company has negative cash flow for the year ended December 31, 2019 and the three and nine months ended September 30, 2020;
- the Company's actual financial position and results of operations may differ materially from the expectations of management;
- the Company expects to incur significant ongoing costs and obligations relating to its investment in infrastructure, growth, regulatory compliance and operations;
- the cannabis industry and market are relatively new in California and this industry and market may not continue to exist or grow as anticipated or the Company may be ultimately unable to succeed in this new industry and market;
- there are factors which may prevent the Company from the realization of growth targets;
- the Company faces construction risk factors;
- risks specifically related to the U.S. regulatory system;
- the enforcement of relevant laws is a significant risk;
- risks related to the interpretation and application of the 2018 Farm Bill;
- risks related to the regulation of hemp-derived CBD products;
- the Company's operations in the U.S. cannabis market may become the subject of heightened scrutiny;
- U.S. border officials could deny entry into the U.S. to management, employees and/or investors in companies with cannabis operations in the U.S.;
- the Company's operations and potential investments in the United States are subject to applicable anti-money laundering laws and regulations;
- the Company's operations and potential investments in the United States may be subject to heightened scrutiny by Canadian authorities;
- risks related to changes in laws, regulations and guidelines;
- the Company's reliance on third-party suppliers, manufacturers and contractors;
- the ability of the Company to maintain its distribution relationship with Indus;
- the Company may not be able to develop its products, which could prevent it from ever becoming profitable or generate revenue;
- the Company's operations are subject to environmental regulation in the jurisdiction in which it operates;
- the Company faces competition from other companies where it will conduct business that may have higher capitalization, more experienced management or may be more mature as a business;

- if the Company is unable to develop and market new products, it may not be able to keep pace with market developments;
- if the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the cannabis market;
- the size of the Company's target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data;
- the Company's industry is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition;
- the Company continues to sell shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders;
- the cultivation of cannabis includes risks inherent in an agricultural business including the risk of crop loss, sudden changes in environmental conditions, equipment failure, product recalls and others;
- the Company may be subject to product recalls for product defects self-imposed or imposed by regulators;
- the Company is reliant on key inputs, such as water, utilities and bulk cannabis materials, and any interruption of these services could have a material adverse effect on the Company's finances and operation results;
- the Company is dependent on access to skilled labour, equipment and parts;
- the expansion of the medical cannabis industry may require new clinical research into effective medical therapies, when such research has been restricted in the U.S.;
- the Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Company;
- the Company will be reliant on information technology systems and may be subject to damaging cyber-attacks;
- the Company may be subject to breaches of security at the Facility;
- the Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest;
- in certain circumstances, the Company's reputation could be damaged;
- risks related to the Company's need additional financing;
- if the Company has a material weakness in its internal controls over financial reporting, investors could lose confidence in the reliability of its financial statements, which could result in a decrease in the value of the Company's securities;
- risks related to publicity or consumer perception;
- risks related to the difficulty to make forecasts;
- risks related to Alphamind's products;
- force majeure events could result in a material adverse effect on the Company;
- the impact of COVID-19 on the Company is unknown at this time and the financial consequences of this situation cause uncertainty as to the future and its effects on the economy and the Company;
- risks related to the market price of the Company's common shares and volatility; and
- risks related to transactions engaged in by the Company's largest shareholders, its directors or officers.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under "Risk Factors" in this Prospectus Supplement, the Base Prospectus and the AIF should be considered carefully by readers.

Certain statements included in this Prospectus Supplement may be considered a “financial outlook” for purposes of applicable Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other than this Prospectus Supplement. All forward-looking statements are made as of the date of this Prospectus. Except as expressly required by applicable law, the Company assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All forward-looking statements in this Prospectus Supplement are qualified by these cautionary statements.

THE COMPANY QUALIFIES ALL THE FORWARD LOOKING STATEMENTS AND FINANCIAL OUTLOOK INFORMATION CONTAINED IN THE BASE PROSPECTUS AND THIS PROSPECTUS SUPPLEMENT AND THE DOCUMENTS INCORPORATED BY REFERENCE HEREIN AND THEREIN BY THE FOREGOING CAUTIONARY STATEMENTS.

CURRENCY PRESENTATION

Unless stated otherwise or as the context otherwise requires, all references to dollar amounts in this Prospectus Supplement are references to Canadian dollars.

THE COMPANY

This summary does not contain all the information about the Company that may be important to you. You should read the more detailed information and financial statements and related notes that are incorporated by reference into and are considered to be a part of this Prospectus Supplement.

The Company was incorporated on April 17, 2019 under the *Business Corporations Act* (British Columbia) under the name “1205600 B.C. Ltd.” On August 29, 2019, it changed its name to “Hollister Biosciences Inc.”

The Company’s head office is located at 1802 Shelton Drive, #102, Hollister, California 95023 and its registered and records office is located at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The Common Shares are listed on the CSE under the trading symbol “HOLL”. The Common Shares are also quoted on the OTCQB, part of the OTC Markets Group, under the trading symbol “HSTRF” and on the Frankfurt Stock Exchange under the symbol “HOB”. The Company is a reporting issuer in all of the provinces of Canada, except Quebec.

The Company, through its wholly owned subsidiaries, currently manufactures hash, tinctures, hash infused products, crumble infused products, pre-roll, cannabis concentrates and other cannabis products under several proprietary brands and as white label products. The Company intends to be an integrated company operating across the entire cannabis value chain, cultivating, manufacturing and producing cannabis and cannabis products.

Hollister operates a 37,061 square feet indoor cannabis facility located at 1802 Shelton Drive, #102, Hollister California 95023 (the “**Hollister Facility**”) that meets all security requirements under applicable laws. Hollister currently operates in 2,061 square feet of the Hollister Facility and uses this space to conduct its cannabis handling activities. The Company intends to build-out the remaining portion (35,000 square feet) of the Hollister Facility to allow for additional processing, manufacturing and packaging projects, including Hollister’s nanoemulsified cannabis concentrate to be used in sublingual sprays, beverages, edibles and capsules (as permitted).

Hollister, through its wholly-owned subsidiary, Venom Extracts, operates a two storey, 11,000 square feet indoor cannabis facility located at 2046 W Ironwood Dr, Phoenix Arizona 85021 (the “**Phoenix Facility**”). The Phoenix Facility meets all security requirements under applicable laws and the Company uses this space for butane, propane and ethanol extraction and packaging in its manufacturing process for the production of cannabis concentrate products.

The Company uses the Hollister Facility and the Phoenix Facility for the production and downstream processing of cannabis products using plant materials purchased from the licensed marketplace. Some products are unprocessed (e.g. dried flowers), while others are processed (e.g. oil derived from the cannabis leaves). The Company offers products in the medicinal and recreational spaces, including products in the categories of, pre packaged flower, pre-roll, infused pre-roll, cannabis concentrates, bubble hash, tinctures, beverages, edibles and pet products.

There is no active research and development on psilocybin currently being conducted or contemplated by the Company or any of its subsidiaries.

CONSOLIDATED CAPITALIZATION

There have been no material changes in the Company’s share and loan capitalization, on a consolidated basis, since September 30, 2020, being the date of the Company’s most recently filed consolidated financial statements incorporated by reference in this Prospectus other than:

- the issuance of 29,610,054 Common Shares pursuant to the Venom extract earn-out at the deemed price of \$0.20 per Common Share;
- the issuance of 6,337,701 Common Shares pursuant to the exercise of warrants of the Company at the exercise prices of \$0.10 per Common Share and \$0.105 per Common Share;
- the issuance of 866,667 Common Shares pursuant to the exercise of stock options at exercise prices ranging from \$0.105 to \$0.135; and
- the issuance on March 2, 2021 of 21,635,094 Special Warrants and 1,441,580 Special Broker Warrants.

On September 30, 2020, the Company had 209,201,883 Common Shares and 20,353,536 Common Share purchase warrants issued and outstanding, and had nil Special Warrants and nil Special Broker Warrants issued and outstanding. After giving effect to the Offering, and assuming full conversion of the Special Warrants and Special Broker Warrants, there will be an aggregate of 230,836,977 Common Shares issued and outstanding, 31,171,083 Warrants issued and outstanding, 1,441,580 Broker Warrants issued and outstanding, nil Special Warrants issued and outstanding and nil Special Broker Warrants issued and outstanding.

The above should be reviewed in conjunction with the Annual Financial Statements and Interim Financial Statements and Annual MD&A and Interim MD&A.

USE OF PROCEEDS

The Company received net proceeds of approximately \$5,485,725 from the Offering, after deducting the Agents’ Commission, the Corporate Finance Fee, the Advisory Fee and the expenses of the Offering.

The Company intends to use the net proceeds from the Offering as follows.

Use of Proceeds	Amount
Greenfield development – building out low cost “hoop house” infrastructure at Arizona property	\$2,500,000
Capital Expenditure on equipment for Arizona property	\$500,000
Marketing of Venom Extracts for product suite in California and Dreamy Delivery direct to consumer platform	\$500,000
Working capital for long term raw material supply agreement and general and administrative expenses	\$1,998,725
Total	\$5,485,725

Although the Company intends to use the proceeds from the Offering as set forth above, the actual allocation of the net proceeds may vary depending on future developments, at the discretion of our board of directors and management. See “Risk Factors”.

The Company had negative cash flow from its most recently completed annual and interim periods for which financial statements have been included in this Prospectus Supplement. To the extent that the Company has negative cash flow from operating activities in future periods, the Company may need to use a portion of available funds to fund such negative cash flow. See “Risk Factors”.

Until applied, the net proceeds will be held as cash balances in the Company’s bank account or invested in certificates of deposit and other instruments issued by banks or obligations of or guaranteed by a government authority.

Business Objectives and Milestones

The Company intends accomplish the following business objectives and milestones with the proceeds from the Offering:

- \$500,000 – capital expenditure on equipment in Arizona
Proposed timing of completion: By April 2021
- \$500,000 – marketing of Venom Extracts product suite in California and Dreamy Delivery direct to consumer platform
Proposed timing of completion: End of third quarter of 2021
- \$2,500,000 – Greenfield development – building out low cost “hoop house” infrastructure on property in Arizona to build redundancy into our supply chain of raw material and expand gross profit margins
Proposed timing of completion: End fourth quarter of 2021
- \$1,500,000 – working capital needs pursuant to long term raw material supply agreement (s) we are able to negotiate with key suppliers
Proposed timing of completion: End of second quarter of 2021

PLAN OF DISTRIBUTION

This Prospectus Supplement qualifies the distribution of 21,635,094 Units, issuable on the automatic exercise of 21,635,094 Special Warrants in the Qualifying Jurisdictions. The Special Warrants were previously issued on March 2, 2021 at a price of \$0.365 per Special Warrant pursuant to the terms of the Agency Agreement and the Special Warrant Indenture to purchasers resident in the Qualifying Jurisdictions and to certain purchasers outside of Canada on a private placement basis pursuant to prospectus exemptions under applicable securities legislation. The Units will separate into Unit Shares and Warrants immediately upon issue. This Prospectus Supplement qualifies the distribution of the Unit Shares and Warrants. The Offering Price and other terms of the Offering were determined by arm's length negotiation between the Company and the Lead Agent.

The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company or the Agents from the distribution of the Units upon exercise of these Special Warrants.

Each Unit consists of one Unit Share and one-half of one Warrant. Each Warrant will entitle the holder to purchase one Warrant Share at a price of \$0.50 per Warrant Share at any time until 4:00pm (Pacific Time) on January 2, 2025. The Warrants are governed by the terms of the Warrant Indenture.

Each Special Warrant entitles the holder thereof to automatically acquire one Unit, subject to adjustments in certain circumstances, without payment of additional consideration on the Automatic Exercise Date. Pursuant to the terms of the Agency Agreement and the Special Warrant Indenture, the Company agreed to use commercially reasonable efforts to satisfy the Qualification Condition prior to the Qualification Deadline. Pursuant to the terms of the Special Warrant Indenture, the Special Warrants will be automatically exercised into the Units on the Automatic Exercise Date.

There is no market through which the Special Warrants or the Warrants may be sold and purchasers may not be able to resell the Special Warrants or the Warrants acquired pursuant to the Offering. This may affect the pricing of the Special Warrants and the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Special Warrants and the Warrants and the extent of issuer regulation. See "Risk Factors".

The Company has given notice to the CSE to list the Unit Shares and the Warrant Shares (including the Unit Shares and Warrant Shares underlying the Broker Warrants) on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE.

Except for certain of the Special Warrants which have been issued in certificated form, the Special Warrants issued pursuant to the Offering have been registered as global securities in book-entry form in the name of CDS Clearing and Depository Services Inc. ("CDS") or its nominee, and have been deposited with CDS. Where CDS is the holder of Special Warrants, holders of the applicable Units will receive only a customer confirmation from the Agents or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Units is acquired. Otherwise, Unit Shares and Warrants underlying the Units will be issued in certificated form unless the holder tenders his, her or its Unit Shares and Warrants for deposit with CDS through a registered dealer who is a CDS participant.

Agents' Compensation

Pursuant to the Agency Agreement, the Company paid the following consideration to the Agents:

- i. a cash commission of \$440,584.20 equal to 7% of the gross proceeds of the Offering (other than from persons or entities on the president's list of the Company);

- ii. 1,207,080 Special Broker Warrants equal to 7% of Special Warrants issued under the Offering (other than Special Warrants issued to persons or entities on the president's list of the Company);
- iii. a corporate finance fee of \$125,000 to the Lead Agent; and
- iv. an advisory fee of \$85,500 and an additional 234,500 Special Broker Warrants.

Each Special Broker Warrant is exercisable, for no additional consideration, for one Broker Warrant. Each Broker Warrant will entitle the holder thereof to purchase, at the Offering Price, one Unit at any time prior to 5:00 p.m. (Toronto time) on March 2, 2023.

United States Securities Law Matters

This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, any U.S. person or any person in the United States. None of Special Warrants, the Units underlying the Special Warrants, the Unit Shares and Warrants comprising the Units, or the Warrant Shares issuable upon exercise of the Warrants, have been or will be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person or any person in the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. “**United States**” and “**U.S. person**” have the meanings ascribed to such terms in Rule 902 of Regulation S under the U.S. Securities Act.

The Special Warrants may not be exercised by or on behalf of a U.S. person or a person in the United States unless an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available. The Unit Shares and Warrants underlying any Units issued within the United States or to, or for the account or benefit of, any U.S. person or any person in the United States, will be “**restricted securities**” (as defined in Rule 144 under the U.S. Securities Act) and any certificates or other instruments representing such securities will bear appropriate legends evidencing the restrictions on the offering, sale and transfer of such securities.

The Warrants may not be exercised by or on behalf of a U.S. person or a person in the United States unless an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available. Any Warrant Shares issued within the United States or to, or for the account or benefit of, any U.S. person or any person in the United States, will be “**restricted securities**” and any certificates or other instruments representing such securities will bear appropriate legends evidencing the restrictions on the offering, sale and transfer of such securities.

Price Stabilization and Passive Market Making

Pursuant to policy statements of certain securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions including (i) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities, or (iii) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. Consistent with these requirements, and in connection with this distribution, the Agents

may effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. If these activities are commenced, they may be discontinued by the Agents at any time. The Agents may carry out these transactions on the CSE or the OTCQB, in the over-the-counter market or otherwise.

General Terms of the Agency Agreement

Under applicable securities laws in Canada, certain persons and individuals, including the Company and the Agents, have statutory liability for any misrepresentation in this Prospectus Supplement, the Base Prospectus and the documents incorporated herein and therein by reference, subject to available defences. The Company has agreed to indemnify the Agents and its affiliates, directors, officers, employees and partners against certain liabilities including, without restriction, civil liabilities under applicable securities legislation in Canada, and to contribute to any payments that the Agents may be required to make in respect thereof.

Standstill and Lock-Up Arrangements

In connection with the Offering, each of the directors and executive officers of the Company entered into lock-up agreements with the Agents evidencing their agreement not to offer, sell or resell any Common Shares or financial instruments or securities convertible into or exercisable or exchangeable for Common Shares held by them or agree to or announce any such offer or sale until 120 days following the Closing Date, subject to certain limited exceptions. In connection with the Offering, the Company agreed not to, directly or indirectly, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Company, without the prior written consent of the Lead Agent (such consent not to be unreasonably withheld), for a period of 120 days following the Closing Date, other than in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to any stock option plan or similar share compensation arrangements in place prior to January 20, 2021, or (ii) the issuance of Common Shares of the Company upon the exercise of convertible securities, warrants, options or obligations outstanding prior to January 20, 2021.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Special Warrants

The Special Warrants are governed by the terms and conditions set forth in the Special Warrant Indenture. An aggregate of 21,635,094 Special Warrants are outstanding as of the date of this Prospectus Supplement.

The material terms and conditions of the Special Warrants are summarized below:

- each of the Special Warrants entitles the holder thereof to acquire one Unit for each Special Warrant, subject to adjustment as provided for in the Special Warrant Indenture;
- each Unit is comprised of one Unit Share and one-half of one Warrant. Each Warrant is exercisable into one Warrant Share at an exercise price of \$0.50 per Warrant Share until January 2, 2025;
- the Company has agreed to use its commercially reasonable efforts to file a prospectus supplement further to the Base Prospectus in order to qualify the issuance of the Units, the Unit

Shares and Warrants upon conversion of the Special Warrants in the Qualifying Jurisdictions. This Prospectus Supplement is for such purpose;

- in the event the Automatic Exercise Date had not occurred prior to March 12, 2021, each holder of Special Warrants would have been entitled to acquire an additional one-half of one (0.5) Warrant for each Unit to be issued to such holder upon the automatic exercise of the Special Warrants, such that each Unit would have been comprised of one Unit Share and one whole Warrant, without further payment or action on the part of the holder;
- the Special Warrants will automatically convert into the Units on the Automatic Exercise Date;
- the Special Warrant Indenture provides for and contains adjustment provisions designed to keep the holders of the Special Warrants unaffected by the possible occurrence of certain corporate events, including any subdivision, re-division, change, reduction, combination, consolidation, stock dividend or reclassification of the Common Shares, amalgamation, merger or corporate reorganization of the Company;
- until such time of the conversion of the Special Warrants into the Units, the holders of Special Warrants do not have any right or interest whatsoever as a shareholder of the Company, including but not limited to any right to vote at, to receive notice of, or to attend, any meeting of shareholders or any other proceedings of the Company or any right to receive any dividend or other distribution; and
- the rights of holders of Special Warrants may be modified by agreement between the Company and the holders of the Special Warrants. The Special Warrant Indenture provides for meetings by holders of Special Warrants and the passing of resolutions and extraordinary resolutions by such holders which are binding on all holders of Special Warrants. Certain amendments to the Special Warrant Indenture may only be made by “extraordinary resolution”, which is defined in the Special Warrant Indenture as a resolution passed by the affirmative vote of Special Warrant holders entitled to acquire not less than 66 $\frac{2}{3}$ % of the aggregate number of Units which may be acquired pursuant to all the then outstanding Special Warrants represented at the meeting and voted on the poll on such resolution.

The foregoing is a summary description of certain material provisions of the Special Warrant Indenture, it does not purport to be a comprehensive summary and is qualified in its entirety by reference to the more detailed provisions of the Special Warrant Indenture, a form of which has been filed on SEDAR.

Unit

Each Unit is comprised of one Unit Share and one-half of one Warrant. The Units will separate into Unit Shares and Warrants immediately upon issue.

Common Shares

Our authorized share capital consists of an unlimited number of Common Shares without par value. As of the date of this Prospectus Supplement, there were 246,016,305 Common Shares issued and outstanding as fully-paid and non-assessable.

Holders of Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Company, and each Common Share confers the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the Board. The holders

of Common Shares, subject to the prior rights, if any, of any other class of shares of the Company with special rights as to dividends, are entitled to receive such dividends in any financial year as the Board may determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The Common Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Warrants

The Warrants are governed by the terms of the Warrant Indenture. The following is a summary description of certain material provisions of the Warrant Indenture, it does not purport to be a comprehensive summary and is qualified in its entirety by reference to the more detailed provisions of the Warrant Indenture, a form of which has been filed on SEDAR.

Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$0.50 per Warrant Share at any time until 4:00 pm (Pacific Time) on January 2, 2025.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

- (i) the issuance of Common Shares or securities exchangeable for, or convertible into, Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of warrants or any outstanding options of the Company);
- (ii) the subdivision, redivision or change of the Common Shares into a greater number of Common Shares;
- (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of Common Shares;
- (iv) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable or exercisable for or convertible into Common Shares, at a price per Common Share to the holder (or at an exchange, exercise or conversion price per share) of less than 95% of the “current market price”, as defined in the Warrant Indenture, for the Common Shares on such record date; and
- (v) the issuance or distribution to all or substantially all of the holders of Common Shares of (i) securities, including rights, options or warrants to acquire shares of any class or securities exchangeable, exercisable or convertible into any such shares or property or assets or (ii) any property or assets, including evidences of indebtedness.

The Warrant Indenture will also provide for adjustments in the class and/or number of securities issuable upon exercise of the Warrants and/or exercise price per security in the event of the following additional events: (a) reclassifications of the Common Shares or exchange or change of the Common Shares into other shares, or capital reorganization of the Company (other than as described in clauses (ii) or (iii) above), (b) consolidations, amalgamations, arrangements, mergers of the Company with or into

another entity (other than a consolidation, amalgamation, arrangement, merger or other business combination which does not result in any reclassification of the Company's outstanding Common Shares or an exchange or change of the Common Shares into other shares), or (c) any sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, in which case each holder of a Warrant which is thereafter exercised will receive, in lieu of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Warrants prior to the event.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, not less than 14 days prior to such applicable record date or effective date, as the case may be, of such events.

No fractional Common Shares will be issuable to any holder of Warrants upon the exercise thereof. The holding of Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Warrants except as expressly provided in the Warrant Indenture. Holders of Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Common Shares.

The Warrant Indenture will provide that, from time to time, the Warrant Agent and the Company, without the consent of the holders of Warrants, may be able to amend or supplement the Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Warrant Indenture, provided that, in the opinion of the Warrant Agent, relying on the opinion of legal counsel, the rights of the holders of Warrants, as a group, are not prejudiced thereby.

The Warrant Indenture will contain provisions making binding upon all holders of Warrants resolutions passed at meetings of such holders in accordance with such provisions or by instruments in writing signed by holders of Warrants holding a specified percentage of the Warrants. Any amendment or supplement to the Warrant Indenture that is prejudicial to the interests of the holders of Warrants, as a group, and certain other amendments or other actions, will be subject to approval by an "Extraordinary Resolution", which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66²/₃% of the aggregate number of Warrants represented at the meeting in person or by proxy and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66²/₃% of the number of all of the then outstanding Warrants.

The principal transfer office of the Warrant Agent in Vancouver, British Columbia is the location at which Warrants may be surrendered for exercise or transfer.

PRIOR SALES

The following table provides details regarding all issuances of the types of securities of the Company distributed under this Prospectus or that are convertible or exchangeable into such types of securities during the 12-month period prior to the date of this Prospectus.

Date of Issuance	Security	Number of Securities	Issue/Exercise Price Per Security (\$)
March 24, 2020	Common Shares	76,390,672 ⁽¹⁾	\$0.092
April 30, 2020	Common Shares	4,200,000 ⁽²⁾	\$0.12
August 10, 2020	Common Shares	17,646,889 ⁽³⁾	\$0.085
August 10, 2020	Warrants	17,646,889 ⁽³⁾	\$0.085
August 10, 2020	Finder's Warrants	1,272,959 ⁽⁴⁾	\$0.085
August 25, 2020	Stock Options	6,500,000	\$0.125
October 23, 2020	Common Shares	19,740,036 ⁽⁵⁾	\$0.20
December 11, 2020	Common Shares	9,870,018 ⁽⁵⁾	\$0.20
December 17, 2020	Common Shares	558,824 ⁽⁶⁾	\$0.10
December 31, 2020	Common Shares	357,352 ⁽⁶⁾	\$0.10
December 31, 2020	Common Shares	100,000 ⁽⁶⁾	\$0.125
December 31, 2020	Common Shares	150,000 ⁽⁷⁾	\$0.105
January 14, 2021	Common Shares	100,000 ⁽⁶⁾	\$0.10
January 14, 2021	Common Shares	150,000 ⁽⁷⁾	\$0.105
January 14, 2021	Common Shares	100,000 ⁽⁷⁾	\$0.125
January 14, 2021	Common Shares	100,000 ⁽⁷⁾	\$0.135
January 18, 2021	Common Shares	1,436,656 ⁽⁶⁾	\$0.10
January 18, 2021	Common Shares	100,000 ⁽⁷⁾	\$0.135
January 29, 2021	Common Shares	3,884,869 ⁽⁶⁾	\$0.10
February 26, 2021	Common Shares	166,667 ⁽⁷⁾	\$0.105
March 2, 2021	Special Warrants	21,635,094 ⁽⁸⁾	\$0.365
March 2, 2021	Special Broker Warrants	1,441,580 ⁽⁸⁾	N/A

Notes:

- (1) Issued in connection with the acquisition of Venom Extracts.
- (2) Issued in connection with the acquisition of Alphamind.
- (3) Issued pursuant to the Company's \$1,500,000 non-brokered private placement of units
- (4) Issued in connection with the non-brokered private placement of units. Each finder's warrant is exercisable into one unit of the Company for a period of two years from date of issue.
- (5) Issued in connection with the earn-out from Venom Extracts.
- (6) Issued in connection with the exercise of warrants.
- (7) Issued in connection with the exercise of stock options.
- (8) Issued in connection with the Offering.

TRADING PRICE AND VOLUME

The following table sets forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of the Common Shares on the CSE:

Month	CSE Price Range (\$)		Total Volume
	High	Low	
March 2020	0.115	0.04	13,683,040
April 2020	0.135	0.04	33,527,571
May 2020	0.16	0.09	22,537,255
June 2020	0.15	0.09	21,155,337
July 2020	0.175	0.095	20,350,614
August 2020	0.18	0.12	10,830,287
September 2020	0.135	0.085	8,075,464
October 2020	0.12	0.085	3,495,752
November 2020	0.14	0.11	4,415,560
December 2020	0.36	0.12	27,597,109
January 2021	0.52	0.24	20,836,212
February 2021	0.53	0.315	13,705,640
March 1 - 11, 2021	0.435	0.30	3,646,790

ELIGIBILITY FOR INVESTMENT

In the opinion of McMillan LLP, counsel to the Company, and Borden Ladner Gervais LLP, counsel to the Agents, based on the current provisions of the *Income Tax Act* (Canada) (the “**Tax Act**”), the regulations thereunder and any specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Unit Shares, Special Warrants, Warrants and Warrant Shares, if issued on the date hereof, would be, at the time of issuance, qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, registered education savings plans, tax-free savings accounts (collectively, “**Deferred Income Plans**”) and deferred profit sharing plans (“**DPSPs**”), each as defined in the Tax Act, provided that, at the particular time, (i) in the case of the Unit Shares and Warrant Shares, the Unit Shares or Warrant Shares, as applicable, are then listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the CSE) or the Company is a “public corporation” (other than a “mortgage investment corporation”) as defined in the Tax Act, and (ii) in the case of the Special Warrants and Warrants, the Unit Shares and Warrant Shares are qualified investments as described in (i) above and the Company is not, and deals at arm’s length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, such Deferred Income Plan or DPSP.

Notwithstanding that the Unit Shares, Special Warrants, Warrants and Warrant Shares may be qualified investments as described above, if the Unit Shares, Special Warrants, Warrants or Warrant Shares are “prohibited investments” for a relevant Deferred Income Plan for purposes of the Tax Act, the annuitant, holder or subscriber (as the case may be) of the Deferred Income Plan will be subject to a penalty tax under the Tax Act. The Unit Shares, Special Warrants, Warrants and Warrant Shares will generally not be a “prohibited investment” for a particular Deferred Income Plan unless the annuitant, holder or subscriber, as applicable, (i) does not deal at arm’s length with the Company for purposes of the Tax Act, or (ii) has a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in the Company. In addition, the Unit Shares and Warrant Shares will not be a prohibited investment if they are “excluded property” (as defined in subsection 207.01(1) of the Tax Act) for trusts governed by a Deferred Income Plan.

Annuitants, holders or subscribers (as the case may be) of Deferred Income Plans and DPSPs should consult their own tax advisors regarding their particular circumstances.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McMillan LLP, counsel to the Company, and Borden Ladner Gervais LLP, counsel to the Agents, the following is, as at the date of this Prospectus Supplement, a summary of certain of the principal Canadian federal income tax considerations under the Tax Act generally applicable to an investor who acquires Units (as beneficial owner) upon the deemed exercise of the Special Warrants, and who, for the purposes of the Tax Act and at all relevant times, (i) deals at arm's length with the Company, the Agents and the subsequent purchaser of a Unit Share, Warrant or Warrant Share, (ii) is not affiliated with the Company, the Agents or the subsequent purchaser of a Unit Share, Warrant or Warrant Share, and (iii) acquires and holds the Special Warrants, and will hold the Unit Shares and Warrants issuable on the deemed exercise of the Special Warrants, and will hold the Warrant Shares issuable on the exercise of the Warrants, as capital property. For purposes of this summary, references to Common Shares include the Unit Shares and Warrant Shares unless otherwise indicated. A holder who meets all of the foregoing requirements is referred to as a "**Holder**" in this summary, and this summary only addresses such Holders. Generally, the Special Warrants, Common Shares and Warrants will be considered as capital property of a Holder thereof provided that the Holder does not hold the Special Warrants, Common Shares or Warrants in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder (i) that is a "financial institution" for the purposes of the mark-to-market rules contained in the Tax Act, (ii) that is a "specified financial institution" as defined in the Tax Act, (iii) an interest in which would be a "tax shelter investment" as defined in the Tax Act, (iv) that has made a functional currency reporting election under the Tax Act, (v) that is exempt from tax under Part I of the Tax Act, (vi) that receives dividends on the Common Shares under or as part of a "dividend rental arrangement" as defined in the Tax Act, (vii) that is a partnership, or (viii) that has entered into or will enter into a "derivative forward agreement" or "synthetic disposition arrangement", as those terms are defined in the Tax Act, with respect to the Special Warrants, Common Shares or Warrants. All such Holders should consult their own tax advisors with respect to an acquisition of Units on the deemed exercise of the Special Warrants. In addition, this summary does not address the deductibility of interest by a Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of Units.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada and is, or becomes (or does not deal at arm's length within the meaning of the Tax Act with a corporation resident in Canada that is or becomes) as part of a transaction or event or series of transactions or events that includes the acquisition of the Units, controlled by a non-resident person or a group of persons not dealing with each other at arm's length, for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring Units.

This summary is based on the current provisions of the Tax Act in force as of the date of this Prospectus Supplement and our understanding of the current published administrative and assessing practice of the Canada Revenue Agency (the "**CRA**"). This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and assumes that the Tax Proposals will be enacted in the manner and form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all. If the Tax Proposals are not enacted or otherwise implemented as presently proposed, the tax consequences may not be as described below in all cases. This summary does not

otherwise take into account any changes in law or in the administrative policies or assessing practice of the CRA, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign tax considerations, or any other federal considerations, which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. All investors, including Holders as defined above, should consult their own tax advisors with respect to their particular circumstances.

Acquisition of Unit Shares and Warrants Upon Exercise of Special Warrants

The deemed exercise of a Special Warrant will not constitute a disposition of property for purposes of the Tax Act and, consequently, no gain or loss will be realized by a Holder upon the deemed exercise of a Special Warrant to acquire a Unit Share and a one-half Warrant.

Allocation of Cost

The total purchase price of a Special Warrant to a Holder must be allocated on a reasonable basis between the Unit Share and the one-half Warrant issuable upon the deemed exercise of the Special Warrant to determine the cost of each to the Holder for purposes of the Tax Act.

For its purposes, the Company intends to allocate \$0.3649 of the Offering Price of each Special Warrant to the Unit Share and \$0.0001 of the Offering Price of each Special Warrant to the one-half Warrant issuable on the deemed exercise of the Special Warrant. Although the Company believes its allocation is reasonable, it is not binding on the CRA or the Holder, and no valuation or related opinion has been sought or obtained in this regard.

Adjusted Cost Base

The Holder's adjusted cost base of the Unit Share issuable on the deemed exercise of the Warrant Share will be determined by averaging the cost allocated to the Unit Share with the adjusted cost base to the Holder of all Common Shares (if any) owned by the Holder as capital property immediately prior to such acquisition.

Exercise of Warrants

The exercise of a Warrant to acquire a Warrant Share will be deemed not to constitute a disposition of property for purposes of the Tax Act. As a result, no gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging the cost of the Warrant Share with the adjusted cost base to the Holder of all Common Shares (if any) owned by the Holder as capital property immediately prior to such acquisition.

Holders Resident in Canada

The following section of this summary applies to Holders who, for the purposes of the Tax Act, are or are deemed to be resident in Canada at all relevant times ("**Resident Holders**") and this portion of the summary only addresses such Resident Holders. Certain Resident Holders whose Common Shares might not otherwise constitute capital property may make, in certain circumstances, an irrevocable election

permitted by subsection 39(4) of the Tax Act to deem the Common Shares, and every other “Canadian security” as defined in the Tax Act, held by such persons in the taxation year of the election and each subsequent taxation year to be capital property. This election does not apply to the Special Warrants or the Warrants. Resident Holders should consult their own tax advisors regarding this election.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder’s adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading “Capital Gains and Capital Losses”.

Dividends

Dividends received or deemed to be received on the Common Shares by a Resident Holder, if any, will be included in computing the Resident Holder’s income for purposes of the Tax Act. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of “taxable dividends” received from “taxable Canadian corporations” (as defined in the Tax Act), including the enhanced gross-up and dividend tax credit in respect of “eligible dividends”, if any, so designated by the Company to the Resident Holder in accordance with the provisions of the Tax Act. There may be restrictions on the Company’s ability to so designate any dividends as “eligible dividends”, and the Company has made no commitments in this regard.

Dividends received or deemed to be received by a Resident Holder that is a corporation must be included in computing its income but may be deductible in computing its taxable income, subject to certain restrictions and special rules under the Tax Act. A Resident Holder that is a “private corporation” (as defined in the Tax Act) and certain other corporations controlled by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts) generally will be liable to pay a tax under Part IV of the Tax Act (refundable in certain circumstances) on dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain, and Resident Holders that are corporations should consult their own tax advisors in this regard.

Dispositions of Common Shares and Warrants

Upon a disposition (or a deemed disposition) of a Common Share (other than a disposition to the Company in a transaction that is not a sale in the open market in the manner in which such shares would normally be purchased by any member of the public in an open market) or a Warrant (other than a disposition arising on the exercise or expiry of a Warrant), a Resident Holder generally will realize, in the year of disposition, a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of such security, as applicable, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such security, as applicable, to the Resident Holder. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading “Capital Gains and Capital Losses”.

Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital

gains realized in the year by such Resident Holder. Allowable capital losses in excess of taxable capital gains realized in a year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against net taxable capital gains realized in such year to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of Common Shares by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such shares or shares substituted for such shares to the extent and in the circumstances specified by the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) also may be liable to pay an additional tax (refundable in certain circumstances) on its “aggregate investment income” (as defined in the Tax Act) for the year which will generally include taxable capital gains.

Minimum Tax

Capital gains realized (or deemed to be realized) and dividends received (or deemed to be received) by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act. Such Resident Holders should consult their own advisors with respect to the application of the minimum tax.

Holders Not Resident in Canada

The following section of this summary is generally applicable to Holders who, for the purposes of the Tax Act, (i) are not, and will not be deemed to be, resident in Canada at any time while they hold the Special Warrants, Common Shares or Warrants, and (ii) do not use or hold, and are not deemed to use or hold, the Special Warrants, Common Shares or Warrants in carrying on a business in Canada at any relevant time (“**Non-Resident Holders**”), and this portion of the summary only addresses such Non-Resident Holders.

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that carries on or is deemed to carry on, an insurance business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act). Such Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company are subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend unless such rate is reduced by the terms of an applicable tax treaty. For example, under the Canada-United States Tax Convention (1980), as amended (the “**Treaty**”), the rate of withholding tax on dividends paid or credited (or deemed to be paid or credited) to a Non-Resident Holder that is the beneficial owner of the dividend who is resident in the U.S. for purposes of the Treaty and can substantiate entitlement to the full benefits under the Treaty (a “**U.S. Holder**”) is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company that beneficially owns at least 10% of the Company’s voting shares). The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the “**MLI**”), of which Canada is a signatory, affects many of Canada’s bilateral tax treaties, including the ability to claim benefits thereunder. Affected Non-Resident Holders should consult their own tax advisors in this regard.

Dispositions of Common Shares and Warrants

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Common Share or a Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Common Share or Warrant, as applicable, constitutes, or is deemed to constitute, “taxable Canadian property” to the Non-Resident Holder thereof for purposes of the Tax Act at the time of disposition, and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty.

Provided the Common Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the CSE) at the time of disposition, the Common Shares and Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder at that time unless, at any time during the 60 month period immediately preceding the disposition, the following two conditions are simultaneously met: (i) one or any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm’s length, and (c) partnerships in which the Non-Resident Holder or such non-arm’s length person holds a membership interest (either directly or indirectly through one or more partnerships), owned 25% or more of the issued shares of any class or series of shares of the Company; and (ii) more than 50% of the fair market value of the shares of the Company was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Tax Act), timber resource properties (as defined in the Tax Act) or an option, an interest or right in such property, whether or not such property exists. Notwithstanding the foregoing, a Common Share or Warrant may also be deemed to be taxable Canadian property to a Non-Resident Holder under other provisions of the Tax Act.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Common Share or Warrant that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable tax treaty, the consequences described above under the headings “Holders Resident in Canada - Dispositions of Common Shares and Warrants” and “Holders Resident in Canada – Capital Gains and Capital Losses” will generally be applicable to such disposition.

Non-Resident Holders who may hold Common Shares or Warrants as taxable Canadian property should consult their own tax advisors with respect to all tax consequences applicable in their particular circumstances.

RISK FACTORS

Special Warrant investors who will receive Units should consider carefully the risk factors set out herein and contained in and incorporated by reference in the accompanying Base Prospectus and the AIF. Discussions of certain risks affecting the Company in connection with the Company’s business are set out under the heading “Risk Factors” in the accompanying Base Prospectus as well as in the documents incorporated by reference therein and herein, including, specifically, under heading “Risk Factors” in the AIF.

The risks and uncertainties set out below and incorporated by reference herein are not the only ones we are facing. Additional risks and uncertainties not currently known to us, or that we currently deem immaterial, may also impair our operations. If any of these risks actually occur, our business, financial condition and operating results could be adversely affected. As a result, the trading price of the Common Shares and the Warrants could decline and investors could lose part or all of their investment. The Company cannot provide any assurances that it will successfully address any or all of these risks.

A positive return on securities is not guaranteed.

There is no guarantee that the Units will earn any positive return in the short term or long term. A holding of Units is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. A holding of Units is appropriate only for holders who have the capacity to absorb a loss of some or all of their holdings.

Loss of entire investment

An investment in the securities issued pursuant to this Prospectus is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in investments that involve significant risk and who can afford to lose their entire investment should consider an investment in the Company.

The Company has broad discretion to use the net proceeds.

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

Force Majeure Events-COVID 19.

In December 2019, a novel strain of coronavirus, COVID-19, was reported to have surfaced in Wuhan, China. On March 11, 2020, the World Health Organization declared this outbreak a global pandemic. Major health issues and pandemics, such as the coronavirus, may adversely affect trade, global and local economies and the trading prices of the Common Shares. The outbreak may affect the supply chain of the Company and may restrict the level of economic activity in affected areas, which may adversely affect the price and demand for the Company's products. It is possible that the Company may be required to temporarily close one or more of its facilities and suspend operations. Given the ongoing and dynamic nature of the circumstances, the extent to which the coronavirus will impact the Company's financial results and operations is uncertain. It is possible, however, that the Company's business operations and financial performance in 2021 and beyond may be materially adversely affected by this global pandemic.

The Market Price for the Common Shares Cannot Be Assured

The market price of the Common Shares may be adversely affected by a variety of factors relating to the Company's business, including fluctuations in the Company's operating and financial results, the results of any public announcements made by the Company and the Company's failure to meet analysts' expectations. In addition, from time to time, the stock market experiences significant price and volume volatility that may affect the market price of the Common Shares for reasons unrelated to the Company's performance. There can be no assurance that the market price of the Common Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Company's performance.

No Market For Warrants or Special Warrants

There is currently no market through which the Warrants or Special Warrants may be sold. The Corporation has not applied to list the Warrants or Special Warrants on any stock exchange. As a consequence, holders of Warrants and Special Warrants may not be able to resell their Warrants or Special Warrants acquired in this Prospectus Supplement. This may affect the pricing of the Warrants and Special Warrants in the secondary market, the transparency and availability of trading prices and the liquidity of these securities. There can be no assurance that an active trading market for the Warrants or Special Warrants will develop, or, if developed, that any such market will be sustained.

Cash Flow from Operations

The Company had negative operating cash flow for the financial year ended December 31, 2019 and the three and nine month period ended September 30, 2020. The Company cannot guarantee that it will attain or maintain positive cash flow status into the future. To the extent that the Company has negative cash flow in any future period, certain of the proceeds from the Offering may be used to fund such negative cash flow from operating activities in these periods, see “Use of Proceeds”.

Dilution

The Company may complete additional financings and issue additional securities in the future, which may dilute a shareholder’s holdings in the Company and decrease the value of the Company’s securities. The Company’s articles permit the issuance of an unlimited number of Common Shares, and shareholders have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of further issuances. Moreover, additional Common Shares will be issued by the Company on the exercise of options under the Company’s stock option plan.

Holders of Special Warrants and Warrants Have no Rights as a Shareholder

Until a holder of Special Warrants or Warrants acquires Unit Shares or Warrant Shares, respectively, upon the exercise of such Special Warrants or Warrants, such holder will have no rights with respect to the Unit Shares or Warrant Shares underlying such Special Warrants or Warrants, respectively. Upon the exercise of such Special Warrants or Warrants, such holder will be entitled to exercise the rights of a holder of Common Shares only as to matters for which the record date occurs after the exercise date.

The Company has not declared and paid dividends in the past and may not declare and pay dividends in the future.

Any decision to declare and pay dividends in the future will be made at the discretion of the Company’s board of directors and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the Company’s board of directors may deem relevant. As a result, investors may not receive any return on an investment in the Common Shares unless they sell their Common Shares for a price greater than that which such investors paid for them.

PROMOTER

Carl Saling is a promoter of Hollister for the purposes of applicable securities laws, as he has taken the initiative in reorganizing and financing Hollister. As at the date of this Prospectus, Mr. Saling owns 29,481,200 (12.18%) Common Shares and 3,000,000 stock options.

To the Company's knowledge, no promoter of the Company is, as at the date of this Prospectus, or was within 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any person or corporation, including the Company, that:

(a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "order") that was issued while the promoter was acting in the capacity of a director, the chief executive officer, or the chief financial officer thereof; or

(b) was subject to an order that was issued after the promoter ceased to be a director, the chief executive officer, or the chief financial officer thereof and which resulted from an event that occurred while that person was acting in such capacity.

To the Company's knowledge, no promoter of the Company:

(a) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any person or company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, 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; or

(b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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, executive officer, or shareholder.

LEGAL MATTERS

Certain legal matters relating to the Offering under this Prospectus Supplement will be passed on behalf of the Company by McMillan LLP, Vancouver, British Columbia with respect to matters of Canadian securities laws, and on behalf of the Agents by Borden Ladner Gervais LLP, with respect to Canadian securities laws.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Davidson & Company, Chartered Professional Accountants, Vancouver, British Columbia.

The Company's Registrar and Transfer Agent is Olympia Trust Company, located in Vancouver, British Columbia.

INTEREST OF EXPERTS

Name of Experts

The following are the names of each person or company who has prepared or certified a report, valuation, statement or opinion in this Prospectus Supplement, either directly or in a document incorporated by reference and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or the Company.

- Davidson & Company LLP, the Company's and Labtronix's independent auditors, prepared
 - 1) an independent audit report dated July 13, 2020 in respect of the Annual Financial Statements, and
 - 2) an independent audit report dated July 22, 2020 in respect of Labtronix's audited financial statements for the years ended December 31, 2019 and 2018 included in the Business Acquisition Report.
- McMillan LLP, the Company's legal counsel.
- Borden Ladner Gervais LLP, the Agents' legal counsel.

Interests of Experts

Davidson & Company LLP has confirmed that they are independent of each of the Company and Labtronix within the meaning of the 'Rules of Professional Conduct' of the Chartered Professional Accountants of British Columbia.

As at the date hereof, the "designated professionals" (as such term is defined in Form 51-102F2 – *Annual Information Form*) of each of McMillan LLP and Borden Ladner Gervais LLP beneficially own, directly or indirectly, less than one percent of the outstanding Common Shares and holds no other securities of the Company.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus or a prospectus supplement (including a pricing supplement) relating to the securities purchased by a purchaser and any amendment thereto. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus or prospectus supplement (including any pricing supplement) relating to the securities purchased by a purchaser and any amendment thereto contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of Special Warrants and Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the Special Warrants and Warrants are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the Special Warrants and

Warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CONTRACTUAL RIGHTS OF RESCISSION OF SPECIAL WARRANT HOLDERS

In addition to the statutory rights set out above, the Company has granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrants were initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires Units, Unit Shares and Warrants on exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation, (a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the private placement transaction under which the Special Warrants were initially acquired, (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company, as the case may be, on the acquisition of the Special Warrants, and (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

The contractual rights of action described above are in addition to and without derogation from any other right or remedy that a purchaser of Special Warrants may have at law.

CERTIFICATE OF THE COMPANY

Dated: March 12, 2021

This short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of British Columbia, Ontario and New Brunswick.

“Carl Saling”

Carl Saling, Chief Executive Officer

“Geoffrey Balderson”

Geoffrey Balderson, Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

“Anthony Zelen”

Anthony Zelen, Director

“Patrick Morris”

Patrick Morris, Director

CERTIFICATE OF THE PROMOTER

Dated: March 12, 2021

This short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of British Columbia, Ontario and New Brunswick.

“Carl Saling”

Carl Saling, Promoter

CERTIFICATE OF THE AGENTS

Dated: March 12, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of British Columbia, Ontario and New Brunswick.

EIGHT CAPITAL

(signed) "Elizabeth Staltari"
Managing Director

HAYWOOD SECURITIES INC.

(signed) "Mathieu Couillard"
Managing Director, Investment Banking

PARADIGM CAPITAL INC.

(signed) "Jason Matheson"
Managing Director

This short form prospectus is a base shelf prospectus. This short form base shelf prospectus has been filed under legislation in each of the provinces of Canada, except Quebec, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission of that information from this prospectus. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery requirements has been obtained.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”). They may not be offered or sold in the United States of America or to or for the account or benefit of a “U.S. person” as defined in Regulation S under the U.S. Securities Act. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy these securities in the United States or to any “U.S. person”.

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Hollister Biosciences Inc., 1802 Shelton Drive, #102, Hollister, California 95023, Telephone: (855) 215-7873, and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

March 10, 2021



HOLLISTER BIOSCIENCES INC.

\$50,000,000

**Common Shares
Debt Securities
Subscription Receipts
Convertible Securities
Warrants
Units**

This short form base shelf prospectus (this “**Prospectus**”) relates to the offering for sale of common shares (the “**Common Shares**”), debt securities (the “**Debt Securities**”), subscription receipts (the “**Subscription Receipts**”) exchangeable for Common Shares and/or other securities, securities convertible or exchangeable for other securities (the “**Convertible Securities**”) and warrants exercisable to acquire Common Shares and/or other securities (the “**Warrants**”) or any combination of such securities (the “**Units**”) (all of the foregoing, collectively, the “**Securities**”) by Hollister Biosciences Inc. (“**Hollister**” or the “**Company**”) from time to time, during the 25-month period that the Prospectus,

including any amendments hereto, remains effective, in one or more series or issuances, with a total offering price of the Securities in the aggregate, of up to \$50,000,000. The Securities may be offered for sale separately or in combination with one or more other Securities and may be sold from time to time in one or more transactions at a fixed price or prices (which may be changed) or at market prices prevailing at the time of sale, at prices determined by reference to such prevailing market prices or at negotiated prices.

The specific terms of any Securities offered will be described in one or more shelf prospectus supplements (collectively or individually, as the case may be, a “**Prospectus Supplement**”), including, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price and any other specific terms; (ii) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, whether the Debt Securities are being offered for cash, the covenants, the events of default, any terms for redemption or retraction, any exchange or conversion rights attached to the Debt Securities, and any other terms specific to the Debt Securities being offered; (iii) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, whether the Subscription Receipts are being offered for cash, the terms, conditions and procedures for the exchange of the Subscription Receipts into or for Common Shares and/or other securities of the Company and any other terms specific to the Subscription Receipts being offered (iv) in the case of Convertible Securities, the number of Convertible Securities offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a fixed price distribution), the procedures for the conversion or exchange of such Convertible Securities into Common Shares and/or other securities of the Company, and any specific terms, (v) in the case of Warrants, the number of Warrants offered, the offering price, the designation, number and terms of the Common Shares issuable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; and (vi) in the case of Units, the designation, number and terms of the Common Shares, Debt Securities, Subscription Receipts, Convertible Securities or Warrants comprising the Units. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the Securities will be included in the Prospectus Supplement describing the Securities. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

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

This Prospectus does not qualify for issuance of Debt Securities, or Securities convertible or exchangeable into Debt Securities, in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. This Prospectus may qualify for issuance of Debt Securities, or Securities convertible or exchangeable into Debt Securities, in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial

institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates such as CDOR (the Canadian Dollar Offered Rate) or LIBOR (the London Interbank Offered Rate), and/or convertible into or exchangeable for Common Shares and/or other securities of the Company.

The Company and/or any selling securityholders may sell the Securities to or through underwriters or dealers purchasing as principals, and may also sell the Securities directly to one or more purchasers pursuant to applicable statutory exemptions or through agents. See "Plan of Distribution". This Prospectus may qualify an "at-the-market" distribution (as such term is defined in National Instrument 44-102 – *Shelf Distributions* ("NI 44-102")). The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged by the Company and/or the selling securityholder in connection with such offering and sale of the Securities, and will set forth the terms of the offering of such Securities, including, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents in connection with the offering, the method of distribution of the Securities, the initial issue price (in the event that the offering is a fixed price distribution), the proceeds that the Company and/or selling securityholder will receive and any other material terms of the plan of distribution. The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to such prevailing market prices or at negotiated prices, which prices may vary as between purchasers and during the period of distribution of the Securities.

In connection with any offering of the Securities, other than an at-the-market offering, the underwriters, dealers or agents, as the case may be, may over allot or effect transactions which stabilize or maintain the market price of the Securities at a level above that which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

The Company's outstanding Common Shares are listed and posted for trading on the Canadian Securities Exchange (the "CSE") under the symbol "HOLL, on the QTQB under the symbol "HSTRF" and on the Frankfurt Stock Exchange under the symbol "HOB". The Company's head office is located at 1802 Shelton Drive, #102, Hollister, California 95023. The Company's registered office is located at Suite 1500-1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The Company has a negative operating cash flow for the year ended December 31, 2019 and for the three and nine month period ended September 30, 2020. To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

Unless otherwise disclosed in any applicable Prospectus Supplement, the Debt Securities, Subscription Receipts, Convertible Securities, Warrants and the Units will not be listed on any securities exchange. Unless the Securities are disclosed to be listed, there will be no market through which these Securities may be sold and purchasers may not be able to resell these Securities purchaser under this Prospectus. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities, and the extent of issuer regulation. See "Risk Factors".

This Prospectus describes the securities of an entity that currently derives a portion of its revenues from the cannabis industry in certain states of the United States, which industry is illegal under United States federal law. The Company, or a United States (“U.S.”) subsidiary of the Company, is directly participating in the recreational cannabis industry in the States of California and Arizona where local state laws permit such activities.

As of the date of this Prospectus, 36 states, plus the District of Columbia (and the territories of Guam, Puerto Rico, the U.S. Virgin Islands and the Northern Mariana Islands), have legalized the cultivation and sale of cannabis for medical purposes. In 14 states, the sale and possession of cannabis is legal for both medical and adult use, and the District of Columbia has legalized adult use but not commercial sale. On November 3, 2020, voters in South Dakota approved the legalization of recreational use of cannabis via a constitutional amendment, which comes into effect on July 1, 2021. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a Schedule I controlled substance under the *Controlled Substances Act* (the “CSA”) in the United States and as such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under United States federal law. There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Further, strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under United States federal law, nor will it provide a defence to any federal proceeding which may be brought against the Company. Any such proceedings brought against the Company may adversely affect the Company’s operations and financial performance.

As a result of the conflicting views between U.S. state legislatures and the U.S. federal government regarding cannabis, investments in cannabis businesses in the U.S. are subject to inconsistent legislation and regulation. Unless and until the U.S. Congress amends the CSA with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, which may adversely affect the current and future business and investments of the Company in the U.S. As such, there are a number of risks associated with the Company’s intended business and investments in the U.S.

For the reasons set forth above, the Company’s intended interests in the U.S. cannabis market may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. There are a number of risks associated with the business of the Company. See further descriptions of these risks under the heading “*Risk Factors*” in the AIF (as defined herein).

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ABOUT THIS SHORT FORM BASE SHELF PROSPECTUS

An investor should rely only on the information contained in this Prospectus (including the documents incorporated by reference herein) and is not entitled to rely on parts of the information contained in this Prospectus (including the documents incorporated by reference herein) to the exclusion of others. The Company has not authorized anyone to provide investors with additional or different information. The Company takes no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give readers of this Prospectus. Information contained on, or otherwise accessed through, the Company's website shall not be deemed to be a part of this Prospectus and such information is not incorporated by reference herein.

The Company is not offering to sell the Securities in any jurisdictions where the offer or sale of the Securities is not permitted. The information contained in this Prospectus (including the documents incorporated by reference herein) is accurate only as of the date of this Prospectus or as of the date as otherwise set out herein (or as of the date of the document incorporated by reference herein or as of the date as otherwise set out in the document incorporated by reference herein, as applicable), regardless of the time of delivery of this Prospectus or any sale of the Common Shares, Debt Securities, Subscription Receipts, Convertible Securities, Warrants and/or Units. The business, financial condition, capital, results of operations and prospects of the Company may have changed since those dates. The Company does not undertake to update the information contained or incorporated by reference herein, except as required by applicable Canadian securities laws.

This Prospectus shall not be used by anyone for any purpose other than in connection with an offering of Securities as described in one or more Prospectus Supplements.

The documents incorporated or deemed to be incorporated by reference herein contain meaningful and material information relating to the Company and readers of this Prospectus should review all information contained in this Prospectus, the applicable Prospectus Supplement and the documents incorporated or deemed to be incorporated by reference herein and therein.

GENERAL MATTERS

In this Prospectus, references to "Hollister", the "Company", "we", "us" and "our" refers, collectively, to Hollister Biosciences Inc. and our subsidiaries.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this Prospectus concerning the industry and markets in which Hollister operates, including its general expectations and market position, market opportunity and market share is based on information from independent industry organizations, and other third-party sources (including industry publications, surveys and forecasts), and management estimates. Unless otherwise indicated, management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from the Company's internal research, and are based on assumptions made by the Company based on such data and its knowledge of such industry and markets, which it believes to be reasonable. The Company's internal research has not been verified by any independent source, and it has not independently verified any third-party information. While the Company believes the market position, market opportunity and market share information included in this Prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the heading "Risk Factors".

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains certain statements, which may constitute “forward-looking information” within the meaning of Canadian securities law requirements (“**forward-looking statements**”). These forward-looking statements are made as of the date of this Prospectus. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect Company management’s expectations or beliefs regarding future events. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “pipeline”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including “may”, “future”, “expected”, “intends” and “estimates”. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Certain forward-looking statements in this Prospectus include, but are not limited to the following:

- the Company’s expectations regarding its revenue, expenses and operations;
- the Company’s intention to grow its business and its operations;
- the development/expansion of the Facility (as defined herein) and the respective costs and timing associated therewith;
- expectations with respect to future production costs and capacity;
- U.S. federal and state regulation of cannabis and cannabis related products, and any commentary related to the U.S. federal legalization of medical and recreational cannabis and the timing related to such legalization;
- the grant and impact of any license to conduct activities with cannabis or any amendments thereof;
- expectations with respect to the future growth of Company’s anticipated medical and/or adult-use recreational cannabis products;
- expectations related to the Company’s cannabis supply chain;
- the benefits, safety, efficacy, dosing and social acceptance of cannabis;
- the Company’s competitive position and the regulatory environment in which the Company operates;
- effect of the novel coronavirus disease 2019 (“**COVID-19**”) outbreak on the ability of the Company to carry on business; and
- the Company’s anticipated cash needs and its needs for additional financing.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward looking statements included in this Prospectus, the Company has made various material assumptions, including but not limited to (i) obtaining the necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business and economic conditions; (iv) the Company’s ability to successfully execute its plans and intentions; (v) the availability of financing on

reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company's competitors; and (ix) the Company will maintain its current good relationships with its suppliers, service providers and other third parties. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors" in the AIF (as defined herein), which include:

- the Company is a development stage company with little operating history, and a history of losses and the Company cannot assure profitability;
- the Company has negative cash flow for the year ended December 31, 2019 and the three and nine months ended September 30, 2020;
- the Company's actual financial position and results of operations may differ materially from the expectations of management;
- the Company expects to incur significant ongoing costs and obligations relating to its investment in infrastructure, growth, regulatory compliance and operations;
- the cannabis industry and market are relatively new in California and this industry and market may not continue to exist or grow as anticipated or the Company may be ultimately unable to succeed in this new industry and market;
- there are factors which may prevent the Company from the realization of growth targets;
- the Company faces construction risk factors;
- risks specifically related to the U.S. regulatory system;
- the enforcement of relevant laws is a significant risk;
- risks related to the interpretation and application of the 2018 Farm Bill (as defined herein);
- risks related to the regulation of hemp-derived CBD products;
- the Company's operations in the U.S. cannabis market may become the subject of heightened scrutiny;
- U.S. border officials could deny entry into the U.S. to management, employees and/or investors in companies with cannabis operations in the U.S.;
- the Company's operations and potential investments in the United States are subject to applicable anti-money laundering laws and regulations;
- the Company's operations and potential investments in the United States may be subject to heightened scrutiny by Canadian authorities;
- risks related to changes in laws, regulations and guidelines;
- the Company's reliance on third-party suppliers, manufacturers and contractors;
- the ability of the Company to maintain its distribution relationship with Indus (as defined herein);
- the Company may not be able to develop its products, which could prevent it from ever becoming profitable or generate revenue;
- the Company's operations are subject to environmental regulation in the jurisdiction in which it operates;
- the Company faces competition from other companies where it will conduct business that may have higher capitalization, more experienced management or may be more mature as a business;
- if the Company is unable to develop and market new products, it may not be able to keep pace with market developments;
- if the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the cannabis market;

- the size of the Company’s target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data;
- the Company’s industry is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition;
- the Company continues to sell shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders;
- the cultivation of cannabis includes risks inherent in an agricultural business including the risk of crop loss, sudden changes in environmental conditions, equipment failure, product recalls and others;
the Company may be subject to product recalls for product defects self-imposed or imposed by regulators;
- the Company is reliant on key inputs, such as water, utilities and bulk cannabis materials, and any interruption of these services could have a material adverse effect on the Company’s finances and operation results;
- the Company is dependent on access to skilled labour, equipment and parts;
- the expansion of the medical cannabis industry may require new clinical research into effective medical therapies, when such research has been restricted in the U.S.;
- the Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Company;
- the Company will be reliant on information technology systems and may be subject to damaging cyber-attacks;
- the Company may be subject to breaches of security at the Facility;
- the Company’s officers and directors may be engaged in a range of business activities resulting in conflicts of interest;
- in certain circumstances, the Company’s reputation could be damaged;
- risks related to the Company’s need additional financing;
- if the Company has a material weakness in its internal controls over financial reporting, investors could lose confidence in the reliability of its financial statements, which could result in a decrease in the value of the Company’s securities;
- risks related to publicity or consumer perception;
- risks related to the difficulty to make forecasts;
- risks related to Alphamind’s (as defined herein) products;
- force majeure events could result in a material adverse effect on the Company;
- the impact of COVID-19 on the Company is unknown at this time and the financial consequences of this situation cause uncertainty as to the future and its effects on the economy and the Company;
- risks related to the market price of the Company’s common shares and volatility; and
- risks related to transactions engaged in by the Company’s largest shareholders, its directors or officers.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under “Risk Factors” in the AIF should be considered carefully by readers.

Certain statements included in this Prospectus may be considered a “financial outlook” for purposes of applicable Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other than this Prospectus. All forward-looking statements are made as of the date of this Prospectus. Except as expressly required by applicable law, the Company assumes no obligation to

publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All forward-looking statements in this Prospectus are qualified by these cautionary statements.

CURRENCY PRESENTATION

Unless stated otherwise or as the context otherwise requires, all references to dollar amounts in this Prospectus, any Prospectus Supplement, and any other document that are incorporated by reference into this Prospectus are references to Canadian dollars, unless otherwise indicated.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions in the each of the Provinces of Canada, other than Quebec (the “Securities Commissions”) or any similar authorities in the provinces and territories of Canada. Copies of the documents incorporated herein by reference may also be obtained on request without charge from charge from Hollister Biosciences Inc., 1802 Shelton Drive, #102, Hollister, California 95023, Telephone: (604) 961-0296. In addition, copies of the documents incorporated by reference herein may be obtained from the Securities Commissions electronically on SEDAR, at www.sedar.com.

The following documents or portions of documents filed with the Securities Commissions are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- the annual information form of the Company for the year ended December 31, 2019, dated August 28, 2020 (the “AIF”);
- the audited annual consolidated financial statements of the Company, and the notes thereto for the years ended December 31, 2019 and 2018, together with the auditors’ report thereon;
- the management’s discussion and analysis of financial condition and results of operations for the year ended December 31, 2019 (the “Annual MD&A”);
- the amended and restated unaudited condensed interim consolidated financial statements of the Company, and the notes thereto for the three and nine months ended September 30, 2020, together with the notes thereto;
- the amended and restated management’s discussion and analysis of financial condition and results of operations for the three and nine months ended September 30, 2020;
- the management information circular dated September 9, 2020 with respect to the Company’s annual general meeting held on October 16, 2020;
- the business acquisition report of the Company dated July 24, 2020 filed in connection with the acquisition of Labtronix Inc., d/b/a Venom Extracts (“Venom Extracts”);
- the material change report dated March 30, 2020 with respect to the closing of the acquisition of Venom;
- the material change report dated May 5, 2020 with respect to the closing of the acquisition of Alphamind Brans Inc. (“Alphamind”);
- the material change report dated August 11, 2020 with respect to closing of the Company’s \$1,500,000 non-brokered private placement of units; and
- the material change report dated March 10, 2021 with respect to the closing of the Special Warrant Offering (as defined herein).

Any documents of the type referred to above or in Section 11.1 of Form 44-101F1, including any material change reports (excluding confidential reports), annual and interim financial statements (including management’s discussion and analysis filed in connection with such annual and interim

financial statements), updated disclosure of earnings interest coverage ratios, and information circulars or annual filings that are filed by the Company with the Securities Commissions or any similar authorities in the provinces and territories of Canada after the date of this Prospectus and prior to the termination of the offering under any Prospectus Supplement shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Upon a new annual information form and the related annual financial statements being filed by the Company with, and, where required, accepted by the Securities Commissions and similar authorities in the provinces and territories of Canada during the currency of this Prospectus, the previous annual information form, the previous annual financial statements and all interim financial statements, material change reports and annual filings or information circulars filed before the commencement of the Company's fiscal year in which the new annual information form is filed will be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

A Prospectus Supplement containing the specific terms in respect of any Securities, updated disclosure of earnings interest coverage ratios (if applicable) and any additional or updated information that the Company may elect to include (provided that such information does not describe a material change that has not already been the subject of a material change report or a prospectus amendment) will be delivered to purchasers of such Securities, together with this Prospectus, and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement, but only for the purposes of the offering of such Securities.

Any template version of any "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements* of the Canadian Securities Administrators) filed after the date of a Prospectus Supplement and before the termination of the distribution of the Securities offered pursuant to such Prospectus Supplement (together with this Prospectus) is deemed to be incorporated by reference in such Prospectus Supplement.

THE COMPANY

The Company was incorporated on April 17, 2019 under the Business Corporations Act (British Columbia) under the name “1205600 B.C. Ltd.” On August 29, 2019, it changed its name to “Hollister Biosciences Inc.”

The Company’s head office is located at 1802 Shelton Drive, #102, Hollister, California 95023 and its registered and records office is located at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The Common Shares are listed on the CSE under the trading symbol “HOLL”. The Common Shares are also quoted on the OTCQB, part of the OTC Markets Group, under the trading symbol “HSTRF” and on the Frankfurt Stock Exchange under the symbol “HOB”. The Company is a reporting issuer in Canada in the Provinces of British Columbia and Ontario.

SUMMARY DESCRIPTION OF THE BUSINESS

The Company, through its wholly owned subsidiaries, currently manufactures hash, tinctures, hash infused products, crumble infused products, pre-roll, and other cannabis products under several proprietary brands and as white label products. The Company intends to be an integrated company operating across the entire cannabis value chain, cultivating, manufacturing and producing cannabis and cannabis products. Further, the Company manufactures and distributes hemp products.

Hollister operates a 37,061 square feet indoor cannabis facility located at 1802 Shelton Drive, #102, Hollister California 95023 (the “**Facility**”) that meets all security requirements under applicable laws. Hollister currently operates in 2,061 square feet of the Facility and uses this space to conduct its cannabis handling activities. The Company intends to build-out the remaining portion (35,000 square feet) of the Facility to allow for additional processing, manufacturing and packaging projects, including Hollister’s nanoemulsified cannabis concentrate to be used in sublingual sprays, beverages, edibles and capsules (as permitted).

The Company plans to use the cannabis Facility for the production and downstream processing of cannabis products using plant materials purchased from the licensed marketplace. Some products will be unprocessed (e.g. dried flowers), while others will be processed (e.g. oil derived from the cannabis leaves). The Company expects to offer products in the medicinal and recreational spaces, which may include products in the categories of, pre packaged flower, pre-roll, infused pre-roll, bubble hash, tinctures, beverages, edibles and pet products.

Hollister currently manufactures pre-rolls and infused pre-rolls described below and distributes its products primarily through its distributor, Indus:

HashBones

Hashbones are a pre-roll or joint made from 75% cannabis flower blended in small batches with 25% bubble hash. This results in a more potent pre-roll. It also maintains the integrity of the cannabis. Terpenes are preserved in the bubble hash production process. Bubble hash is made without solvents or chemicals and is one of the cleanest concentrates available on the market. It is also more stable than flower alone, making these pre-rolls more ‘shelf’ stable than the average pre-roll. Many other infused pre-rolls have distillate, usually made with butane or ethanol, painted on the outside of the pre-roll which is then dipped in kief or hash. This results in a product that is messy and does not offer the same full flavor profile that blending hash with flower provides.

HashBones are the Company's pre-roll made of 75% flower and 25% artisanal bubble hash. Pre-rolls are currently the Company's most successful product.

The Company purchases cannabis flower and carefully grinds up the flower to remove any waste material and stems. Hollister only uses raw flower that meets its high quality standards. The Company manufacturers bubble hash with purified water and ice in hash wash machines. It is dried in state of the art freeze dryers. The Company's pre-rolls are machine filled and every pre-roll is precisely weighed to ensure it meets state requirements for variance.

The infusion of bubble hash makes this product unique and very popular. Due to the labor it takes to craft bubble hash there are few competitors in the space.

Mighty Meds

Hollister acquired Mighty Meds as its vape brand. The Company's vape products are manufactured from pure THC distillate and plant-based terpenes.¹ The Company is planning to re-brand its "Mighty Meds" brand to "Mighty Vape", following its experience that the term "meds" has not translated well in the competitive adult use marketplace. The Company also intends to update its website, create new vape hardware and upgrade its vape formulas.

Venom Extracts

The Company, through Venom Extracts, manufactures cannabis distillate and related products. Venom Extract's business operations entail the manufacturing of concentrates, Propane Hash Oil (P.H.O.) concentrates and cartridges and distribution of products for medical use in the state of Arizona.

Rebel Hemp Company

The Company manufactures certain hemp products under the name "Rebel Hemp Company". On December 12, 2019, the Company launched a hemp brewed beverage, branded as "Rebel Tea", which is a THC-free beverage that contains fifteen milligrams of whole-plant full-spectrum phyto-cannabinoids. The company also entered into a letter of intent with Mountain Financial Solutions LLC, pursuant to which the Company will purchase 1,000 pounds of hemp for use in hemp pre-rolls to be manufactured by the Company.

Alphamind

Alphamind is a Canada and U.S. based growth stage company, that is developing a portfolio of certified legal mushroom based natural health products. It is also actively conducting R&D initiatives, led by Dr. Nikos C. Apostolopoulos, who is exploring psilocybin based pharmaceutical treatments. The company's "ready to ship" product SKU's include Cordyceps, Lion's Mane, Shiitake, Oyster and Reishi Mushroom based: liquid tinctures, concentrated mushroom powder(s), teas, and chocolate.

AlphaMind's initial product line will consist of a blended and bottled powder and capsule consisting of powdered cordyceps, lion's mane, oyster, reishi and shiitake medicinal mushroom varieties. The formulations for both products are unique and developed through research driven initiatives. The health benefits that the capsules and powder intend to provide include but are not limited to anti-inflammatory, antioxidant, anti-ageing, anti-microbial and immune system support.

¹ "Terpenes" are diverse class of organic compounds produced by certain plants. These compounds are often to enhance the flavor and effects of cannabis.

Intellectual Property and Licences

The following table sets out a description of the Company's intellectual property and cannabis licences.

Name	Terms and Conditions	Expiry Date
Licensing Agreement dated January 12, 2019 between the Company and Chongson, Inc.	Provides Hollister the right to manufacture and distribute products for Tommy Chong under the Tommy Chong's cannabis brand in California. The first product is a Full Spectrum Elixir (Tincture). Fee: 12% royalty on product gross revenue per SKU sold.	Renewable yearly unless terminated on 30 days' notice
Exclusive IP Licence Agreement dated November 25, 2020 between the Company and ER71 USA Inc.	Exclusive license for Hollister to manufacture and distribute cannabis products under the Easyriders' brand in the United States. Fee: 20% of adjusted gross revenue.	Two year agreement renewable for one additional two year term
Medical Marijuana Dispensary Registration Certificate dated August 8, 2020 issued by Arizona Department of Health Services to Catalina Hills Botanical Care, Inc.	Approval to dispense, sell edibles, dispense edibles and cultivate offsite	August 7, 2022
Annual Manufacturing License – Adult and Medicinal Cannabis Product – Provisional issued April 23, 2020 by California Department of Public Health to Hollister Holistics 1	License to manufacture cannabis products at licensed premises.	August 23, 2021
Adult-Use and Medicinal – Distributor License- Provisional dated August 13, 2019 issued by Bureau of Cannabis Control California to Hollister Holistics 1	Distributor License	August 12, 2021
Adult-Use and Medicinal – Retailer Nonstorefront License- Provisional dated January 12, 2021 issued by Bureau of Cannabis Control California to Hollister Holistics 2	Retail License	January 12, 2022
Cannabis Facility Licensed Premises Certificate dated April 16, 2020 issued by City of Hollister to Carl Saling operator of Hollister Holistics 1	License to operate cannabis distribution facility	April 16, 2021
Cannabis Facility Licensed Premises	License to operate cannabis manufacturing	December 22,

Name	Terms and Conditions	Expiry Date
Certificate dated December 22, 2020 issued by City of Hollister to Carl Saling operator of Hollister Holistics	facility	2021
Cannabis Facility Licensed Premises Certificate dated January 25, 2021 issued by City of Hollister to Carl Saling operator of Hollister Holistics 2	License to operate a cannabis delivery/non-storefront retail	December 25, 2022

RECENT DEVELOPMENTS

Special Warrant Financing

On March 2, 2021, the Company closed an offering of 21,635,094 special warrants of the Company (the “**Special Warrants**”) at a price of \$0.365 per Special Warrant for total gross proceeds of \$7,896,809.31 (the “**Special Warrant Offering**”). Eight Capital acted as sole bookrunner and lead agent, together with a syndicate of agents (collectively, the “**Agents**”) pursuant to an agency agreement dated March 2, 2021.

Each Special Warrant shall be automatically exercisable into units of the Company (the “**SW Units**”), with each SW Unit consisting of one Common Share and one-half of one common share purchase warrant (each full warrant, a “**Unit Warrant**”). Each Unit Warrant shall entitle the holder thereof to acquire one Common Share at a price of \$0.50 per Common Share for a period of 46 months following the Closing Date.

Each Special Warrant shall be automatically exercisable, for no additional consideration, into SW Units on the date that is the earlier of: (i) the date that is three business days following the date on which the Company either (A) obtains a receipt from the applicable securities regulatory authorities for a (final) short form prospectus qualifying distribution of the SW Units underlying the Special Warrants (the “**Qualifying Prospectus**”); or (B) files a supplement to a (final) short form base shelf prospectus qualifying the distribution of the SW Units underlying the Special Warrants (the “**Qualifying Supplement**”), and (ii) the date that is four months and one day after the Closing of the Special Warrant Offering.

The Company will use its commercially reasonable efforts to obtain a receipt for the Qualifying Prospectus or to file a Qualifying Supplement before March 12, 2021, provided, however, that there is no assurance that a Qualifying Prospectus or Qualifying Supplement will be filed or that a receipt therefor will be issued prior to the expiry of the statutory four month hold period.

Notwithstanding the foregoing, in the event the Company has not received a receipt for the Qualifying Prospectus or filed a Qualifying Supplement before March 12, 2021, each unexercised Special Warrant will thereafter entitle the holder to receive, upon the exercise thereof, for no additional consideration, instead of a SW Unit, a penalty unit (a “**Penalty Unit**”), with each Penalty Unit being comprised of one Common Share and one full SW Warrant.

As partial compensation, the Company issued to the Agents 1,441,580 broker special warrants (the “**Broker Special Warrants**”). Each Broker Special Warrant is exercisable for no additional consideration into one broker warrant (a “**Broker Warrant**”). Each Broker Warrant is exercisable into one SW Unit at the exercise price of \$0.365 for a period of 24 months.

Easyriders Agreement

On December 15, 2020, the Company signed an exclusive agreement with Easyriders to design, manufacture and produce a national cannabis product line in part with Easyriders 50th anniversary. The Company anticipates the new line will make its debut in February 2021.

Venom Extracts Achieves Second and Final Revenue Milestone

On December 10, 2020, the Company announced that Venom Extracts reached its second and final milestone by generating in excess of \$40 million revenue calculated from January 1, 2020. As a result, the Company issued 9,870,018 Common Shares to certain former Venom shareholders at a deemed price of \$0.20 per Common Share. The Earn-Out Shares are not subject to any hold period under applicable securities laws.

Trademark Approval for HashBone

On December 8, 2020, the Company announced that it has received trademark approval from the California Secretary of State for its brand “HashBone”.

Launch of Dreamy Delivery

On November 10, 2020, the Company announced the soft launch of Dreamy Delivery, the Company’s platform that allows it to deliver cannabis to consumers in the San Francisco Bay Area. On December 22, 2020, the Company expanded the launch of Dreamy Delivery to consumers in Sacramento. The Company launched Dreamy Delivery to cover the Central Coast of California on January 25, 2021.

Venom Extracts Achieves First Revenue Milestone

On October 6, 2020, the Company announced that Venom Extracts achieved the first of two revenue milestones in accordance with the terms of the definitive agreement that was entered in connection with the acquisition of Venom by the Company. On September 23, 2020, Venom achieved the first revenue milestone by generating in excess of \$30,000,000 of revenue calculated from January 1, 2020. As a result, the Company will issue 19,740,036 Common Shares to certain former Venom shareholders at a deemed price of \$0.20 per Common Share.

CONSOLIDATED CAPITALIZATION

There have been no material changes in the Company’s share and loan capitalization, on a consolidated basis, since September 30, 2020, being the date of the Company’s most recently filed consolidated financial statements incorporated by reference in this Prospectus other than:

- the issuance of 29,610,054 Common Shares pursuant to the Venom extract earn-out at the deemed price of \$0.20 per Common Share;
- the issuance of 6,337,701 Common Shares pursuant to the exercise of warrants of the Company at the exercise prices of \$0.10 per Common Share and \$0.105 per Common Share;

- the issuance of 866,667 Common Shares pursuant to the exercise of stock options at exercise prices ranging from \$0.105 to \$0.135; and
- the issuance on March 2, 2021 of 21,635,094 Special Warrants and 1,441,580 Broker Special Warrants.

USE OF PROCEEDS

The use of proceeds from the sale of Securities will be described in a Prospectus Supplement relating to a specific issuance of Securities. This information will include the net proceeds to the Company from the sale of the Securities, the use of those proceeds and the specific business objectives that the Company expects to accomplish with those proceeds.

All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of our general funds, unless otherwise stated in the applicable Prospectus Supplement.

The Company has a negative operating cash flow for the year ended December 31, 2019 and for the three and nine month period ended September 30, 2020. To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

Expected Use of Proceeds from the Special Warrant Offering

The proceeds from the Special Warrant Offering are expected to cover the Company's expenditures for the next 12 months. The Company expects to use the proceeds for i) capital expenditure to expand the Company's equipment footprint for its Arizona extraction business (Labtronix Inc. dba Venom Extracts) in order to increase production capacity due to increased customer demand as a result of adult use legalization in the state of Arizona, ii) greenfield development of a cultivation site in Arizona to build redundancy into the Company's supply of raw material, iii) working capital purposes pursuant to long-term raw material supply agreements that the Company has been able to negotiate with key suppliers, iv) marketing and promotion related to introducing the Venom Extracts product suite into California, v) marketing for the Company's Dreamy Delivery direct to consumer platform in California, and vi) general corporate purposes. The specific amounts the Company anticipates allocating to each of these uses and the timeline for use is described below. The use of proceeds for the Special Warrant Offering will be included in the Qualifying Supplement the Company intends to file to qualify the distribution of the SW Units.

- \$500,000 – capital expenditure on equipment in Arizona

Proposed timing of completion: End of Q1

- \$500,000 – marketing of Venom Extracts product suite in California and Dreamy Delivery direct to consumer platform

Proposed timing of completion: End of Q3

- \$2.5 million – Greenfield development – building out low cost “hoop house” infrastructure on property in Arizona to build redundancy into our supply chain of raw material and expand gross profit margins

Proposed timing of completion: End of Q4

- \$1.5 million – working capital needs pursuant to long term raw material supply agreement (s) we are able to negotiate with key suppliers

Proposed timing of completion: End of Q2

Effects of COVID-19

COVID-19 has added a level of complexity to the Company’s sales process. Sales representatives are unable to visit buyers in person on a regular basis and most of the in-store brand ambassador marketing has ceased. The Company’s marketing strategy has evolved and the Company has been using online video calls with buyers and has increased its virtual in store product demonstrations. COVID-19 has slowed the release of some of the Company’s products due to the fact that it is unable to reach as many customers and buyers. Due to COVID-19, the Company has accelerated its plans for delivery of its products and shifted its production to meet customer demand. For example, large pre rolls have fallen out of favor as they are not shareable. Multi-pack smaller pre rolls like the Hashbone minis are more popular now, as they are shareable in a socially distanced manner. The Company has opted to launch the Easyriders brand with a 10 pack of mini pre rolls.

Given the above, the Company could find itself unable to allocate or use proceeds due to COVID-19. This in turn could increase the amount of time it could take for the Company to develop its business, thus increasing expense associated with some or all of the use of proceeds. The economic effects of COVID-19 if prolonged are likely to not favour the Company’s plans for developing its business and product marketing, as noted above, and could materially alter how the Company uses proceeds, potentially unfavorably and disproportionately. The virus, if prolonged, could cause retailers to shift merchandising priorities and focus resources on sourcing and stocking goods deemed “more essential” than the Company’s products, causing the Company to be unable to invest in its business as the use of proceeds anticipate. This could result in the Company finding itself unable to fully develop its business as intended, thereby having to decrease expenses, and while being relatively more liquid over a nearer term as a consequence of such decrease in expenses, the Company could be in a position of never being able to take the steps associated with any use of proceeds needed to ultimately grow revenue to cover and exceed expenses. The Company’s products are not inexpensive. There is the risk that demand for its products could decrease given prolonged economic effects upon consumers caused by COVID-19. This could make Company projects, programs and development associated with the use of proceeds ineffective or infeasible. See “Risk Factors”.

DESCRIPTION OF SECURITIES

The following is a summary of the material attributes and characteristics of the Securities as at the date of this Prospectus. This summary does not purport to be complete. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

Common Shares

The Company is authorized to issue an unlimited number of Common Shares without par value. As of the date of this Prospectus 246,016,305 Common Shares are issued and outstanding.

Holders of Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Company, and each Common Share confers the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the Board. The holders of Common Shares, subject to the prior rights, if any, of any other class of shares of the Company with special rights as to dividends, are entitled to receive such dividends in any financial year as the Board may determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The Common Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Debt Securities

The section describes the general terms and provisions of the Debt Securities that may be offered by the Company pursuant to this Prospectus. The particular terms and provisions of the Debt Securities offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement, which particular terms and provisions of such Debt Securities may differ from the general terms and provisions described below in some or all respects.

The Debt Securities will be issued in series under one or more trust indentures to be entered into between the Company and a financial institution to which the *Trust and Loan Companies Act (Canada)* applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee. Each such trust indenture, as supplemented or amended from time to time, will set out the terms of the applicable series of Debt Securities. The statements in this Prospectus relating to any trust indenture and the Debt Securities to be issued under it are summaries of anticipated provisions of an applicable trust indenture and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of such trust indenture, as applicable.

Each trust indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by the Company. Any Prospectus Supplement for Debt Securities will contain the terms and other information with respect to the Debt Securities being offered, including: (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities; (ii) the currency for which the Debt Securities may be purchased and the currency in which the principal and any interest is payable (in either case, if other than Canadian dollars), (iii) the percentage of the principal amount at which such Debt Securities will be issued; (iv) the date or dates on which such Debt Securities will mature; (v) the rate or rates at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any); (vi) the dates on which any such interest will be payable and the record dates for such payments; (vii) any redemption term or terms under which such Debt Securities may be defeased; (viii) any exchange or conversion terms (including, as applicable, the terms in respect of any convertibility to Subordinate Voting Shares); and (ix) any other specific terms.

Each series of Debt Securities may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary.

The Debt Securities will be direct obligations of the Company. The Debt Securities will be senior or subordinated indebtedness of the Company as described in the relevant Prospectus Supplement.

Subscription Receipts

This section describes the general terms that will apply to any Subscription Receipts that may be offered by us pursuant to this Prospectus by way of a Prospectus Supplement. Subscription Receipts may be offered separately or together with Common Shares, Debt Securities, Warrants or Units, as the case may be. The Subscription Receipts will be issued under a subscription receipt agreement.

The applicable Prospectus Supplement will include details of the subscription receipt agreement covering the subscription receipts being offered. A copy of the Subscription Receipt agreement relating to an offering of subscription receipts will be filed by us with the applicable securities regulatory authorities after it has been entered into by us. The specific terms of the Subscription Receipts, and the extent to which the general terms described in this section apply to those Subscription Receipts, will be set forth in the applicable Prospectus Supplement. This description will include, where applicable:

- the number of Subscription Receipts;
- the price at which the Subscription Receipts will be offered;
- the currency at which the Subscription Receipts will be offered and whether the price is payable in installments;
- the procedures for the exchange of the Subscription Receipts into Common Shares and/or Securities of the Company;
- the number of Common Shares and/or Securities of the Company that may be issued upon exercise or deemed conversion of each Subscription Receipt;
- the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- conditions to the conversion or exchange of Subscription Receipts into other Securities and the consequences of such conditions not being satisfied;
- terms applicable to the gross or net proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- the dates or periods during which the Subscription Receipts may be converted or exchanged;
- the circumstances, if any, which will cause the Subscription Receipts to be deemed to be automatically converted or exchanged;
- provisions applicable to any escrow of the gross or net proceeds from the sale of the Subscription Receipts plus any interest or income earned thereon, and for the release of such proceeds from such escrow;
- if applicable, the identity of the Subscription Receipt agent;
- whether the Subscription Receipts will be listed on any securities exchange;
- whether the Subscription Receipts will be issued with any other Securities and, if so, the amount and terms of these Securities;
- any minimum or maximum subscription amount;
- whether the Subscription Receipts are to be issued in registered form, “book-entry only” form, non-certificated inventory system form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- any material risk factors relating to such Subscription Receipts and the Securities to be issued upon conversion or exchange of the Subscription Receipts;
- any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts and the Securities to be issued upon exchange of the Subscription Receipts;

- material Canadian and United States income tax consequences of owning or converting or exchanging the Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts and the Securities to be issued upon the exchange of the Subscription Receipts.

The terms and provisions of any Subscription Receipts offered under a Prospectus Supplement may differ from the terms described above, and may not be subject to or contain any or all of the terms described above.

Prior to the exchange of any Subscription Receipts, holders of such Subscription Receipts will not have any of the rights of holders of the Securities for which the Subscription Receipts may be exchanged, including the right to receive payments of dividends or the right to vote such underlying securities.

Convertible Securities

The following description sets forth certain general terms and provisions of the Convertible Securities and is not intended to be complete. The detailed provisions of the Convertible Securities may be set out in an indenture, a copy of which will be filed by the Corporation with Canadian securities regulators after it has been entered into, and will be available electronically on SEDAR at www.sedar.com.

The particular terms and provisions of each issue of Convertible Securities will be described in the applicable prospectus supplement, and the extent to which the general terms and provisions described below may apply to them, will be described in such prospectus supplement. This description will include, as applicable:

- the title or designation of the Convertible Securities;
- the number of Convertible Securities offered;
- the price at which the Convertible Securities will be offered;
- the number of Common Shares or other Securities that may be issued upon the conversion or exchange of the Convertible Securities and the procedures for conversion or exchange;
- the dates or periods during which the Convertible Securities are exercisable and when they expire;
- the designation and terms of any other securities with which the Convertible Securities will be offered, if any, and the number of Convertible Securities that will be offered with each such Security;
- the material income tax consequences of owning, holding and disposing of the Convertible Securities; and
- any other material terms and conditions of the Convertible Securities including, without limitation, transferability and adjustment terms and whether the Convertible Securities will be listed on a stock exchange

Warrants

This section describes the general terms that will apply to any Warrants that may be offered by the Company pursuant to this Prospectus. Warrants may be offered separately or together with other Securities.

The specific terms of the Warrants, and the extent to which the general terms described in this section apply to those Warrants, will be set forth in the applicable Prospectus Supplement. The Warrants

may be issued under a warrant indenture. The applicable Prospectus Supplement will include the details of the warrant indenture governing the Warrants being offered.

The particular terms of each issue of Warrants will be described in the related Prospectus Supplement. Such description will include, where applicable:

- the number of Warrants being offered and, if offered as a units with another Security, the number of Warrants or a fraction of a Warrant being offered with such other Security;
- the Securities which are underlying the Warrants;
- the exercise price of the Warrants;
- the expiry date of the Warrants;
- the procedure for exercising Warrants into underlying Securities;
- the indenture trustee of the Warrants under the warrant indenture pursuant to which the Warrants are to be issued, if applicable;
- the material tax consequences of owning the Warrants (if any); and
- any other material terms and conditions of the Warrants.

The terms and provisions of any Warrants offered under a Prospectus Supplement may differ from the terms described above, and may not be subject to or contain any or all of the terms described above.

Prior to the exercise of any Warrants, holders of Warrants will not have any of the rights of holders of the Common Shares purchasable upon such exercise, including the right to receive payments of dividends or the right to vote such underlying securities.

Units

This section describes the general terms that will apply to any Units that may be offered by the Company pursuant to this Prospectus.

The following sets forth certain general terms and provisions of the Units under this Prospectus. The following sets forth certain general terms and provisions of the Units offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms described in this section apply to those Units, will be set forth in the applicable Prospectus Supplement.

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

The particular terms of each issue of Units will be described in the related Prospectus Supplement. Such description will include, where applicable:

- the number of Units offered;
- the price or prices, if any, at which the Units will be issued;
- the currency at which the Units will be offered;
- the Securities comprising the Units;
- whether the Units will be issued with any other Securities and, if so, the amount and terms of these Securities;

- any minimum or maximum subscription amount;
- whether the Units and the Securities comprising the Units are to be issued in registered form, “book-entry only” form, non-certificated inventory system form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- any material risk factors relating to such Units or the Securities comprising the Units;
- any other rights, privileges, restrictions and conditions attaching to the Units or the Securities comprising the Units; and
- any other material terms or conditions of the Units or the Securities comprising the Units, including whether and under what circumstances the Securities comprising the Units may be held or transferred separately.

The terms and provisions of any Units offered under a Prospectus Supplement may differ from the terms described above, and may not be subject to or contain any or all of the terms described above.

PLAN OF DISTRIBUTION

The Company and/or any selling securityholders may from time to time during the 25-month period that this Prospectus, including any amendments hereto, remains valid, offer for sale and issue Common Shares, Debt Securities, Subscription Receipts, Convertible Securities, Warrants, and Units. During such period, the Company may sell up to \$50,000,000 in the aggregate, of initial offering price of Securities (or the equivalent amount if any Securities are denominated in a currency other than Canadian dollars).

The Company and/or any selling securityholders will sell the Securities to or through underwriters or dealers or purchasers directly or through agents. The Securities may be sold from time to time in one or more transactions at a fixed price or prices, which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions that are deemed to be “at-the-market distributions” (as defined in NI 44-102).

A Prospectus Supplement will set forth the terms of the offering, including the name(s) of any underwriters, dealers or agents, the purchase price(s) of the Securities, the proceeds to the Company and/or any selling securityholders from the sale of Securities, any initial public offering price (or the manner of determination thereof if offered on a non-fixed price basis), any underwriting discount or commission and any discounts, concessions or commissions allowed or paid by any underwriter to other dealers. Any initial public offering price and any discounts, concessions or omissions allowed or paid to dealers may be changed from time to time.

Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under certain agreements to be entered into with the Company and/or any selling securityholders to indemnification by the Company and/or any selling securityholders against certain liabilities, including liabilities under securities legislation or to contribution with respect to payments that they may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for the Company and/or any selling securityholders in the ordinary course of business.

Any offering of Debt Securities, Subscription Receipts, Convertible Securities, Warrants or Units will be a new issue of securities with no established trading market. Unless otherwise specified in the applicable Prospectus Supplement, Debt Securities, Subscription Receipts, Convertible Securities, Warrants or Units will not be listed on any securities exchange. Unless otherwise specified in the

applicable Prospectus Supplement, there is no market through which the Debt Securities, Subscription Receipts, Convertible Securities, Warrants or Units may be sold and purchasers may not be able to resell Debt Securities, Subscription Receipts, Convertible Securities, Warrants or Units purchased under this Prospectus or any Prospectus Supplement. This may affect the pricing of the Debt Securities, Subscription Receipts, Convertible Securities, Warrants or Units in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. Subject to applicable laws, certain dealers may make a market in these Securities, but will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that any dealer will make a market in these Securities or as to the liquidity of the trading market, if any, for these Securities.

In connection with any offering of Securities other than an “at-the-market distribution”, unless otherwise specified in a Prospectus Supplement, underwriters or agents may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of Securities offered at levels other than those which might otherwise prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time. No underwriter or dealer involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such underwriter or dealer will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

The Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws. Accordingly, the Securities may not be offered, sold or delivered within the United States, and each underwriter or agent for any offering of Securities will agree that it will not offer, sell or deliver the Securities within the United States, except pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder (“**Rule 144A**”) and in compliance with applicable state securities laws. In addition, until 40 days after the commencement of the offering of Securities, any offer or sale of such Securities within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Securities in the United States or to, or for the account or benefit of, U.S. persons.

EARNINGS COVERAGE RATIO

The applicable Prospectus Supplement will provide, as required by applicable Canadian securities laws, the earnings coverage ratios with respect to the issuance of Securities pursuant to such Prospectus Supplement.

PRIOR SALES

For the 12-month period before the date of this Prospectus, the Company issued the following Common Shares and securities exercisable or convertible into Common Shares:

Date of Issuance	Security	Number of Securities	Issue/Exercise Price Per Security (\$)
March 24, 2020	Common Shares	76,390,672 ⁽¹⁾	\$0.092
April 30, 2020	Common Shares	4,200,000 ⁽²⁾	\$0.12
August 10, 2020	Common Shares	17,646,889 ⁽³⁾	\$0.085
August 10, 2020	Warrants	17,646,889 ⁽³⁾	\$0.085
August 10, 2020	Finder's Warrants	1,272,959 ⁽⁴⁾	\$0.085
August 25, 2020	Stock Options	6,500,000	\$0.125
October 23, 2020	Common Shares	19,740,036 ⁽⁵⁾	\$0.20
December 11, 2020	Common Shares	9,870,018 ⁽⁵⁾	\$0.20
December 17, 2020	Common Shares	558,824 ⁽⁶⁾	\$0.10
December 31, 2020	Common Shares	357,352 ⁽⁶⁾	\$0.10
December 31, 2020	Common Shares	100,000 ⁽⁶⁾	\$0.125
December 31, 2020	Common Shares	150,000 ⁽⁷⁾	\$0.105
January 14, 2021	Common Shares	100,000 ⁽⁶⁾	\$0.10
January 14, 2021	Common Shares	150,000 ⁽⁷⁾	\$0.105
January 14, 2021	Common Shares	100,000 ⁽⁷⁾	\$0.125
January 14, 2021	Common Shares	100,000 ⁽⁷⁾	\$0.135
January 18, 2021	Common Shares	1,436,656 ⁽⁶⁾	\$0.10
January 18, 2021	Common Shares	100,000 ⁽⁷⁾	\$0.135
January 29, 2021	Common Shares	3,884,869 ⁽⁶⁾	\$0.10
February 26, 2021	Common Shares	166,667 ⁽⁷⁾	\$0.105
March 2, 2021	Special Warrants	21,635,094 ⁽⁸⁾	\$0.365
March 2, 2021	Special Broker Warrants	1,441,580 ⁽⁸⁾	N/A

Notes:

- (1) Issued in connection with the acquisition of Venom Extracts.
- (2) Issued in connection with the acquisition of Alphamind.
- (3) Issued pursuant to the Company's \$1,500,000 non-brokered private placement of units
- (4) Issued in connection with the non-brokered private placement of units. Each finder's warrant is exercisable into one unit of the Company for a period of two years from date of issue.
- (5) Issued in connection with the earn-out from Venom Extracts.
- (6) Issued in connection with the exercise of warrants.
- (7) Issued in connection with the exercise of stock options.
- (8) Issued in connection with the Special Warrant Offering.

PRICE RANGE AND TRADING VOLUME

On November 25, 2019, the Common Shares began trading on the CSE under the trading symbol “HOLL”. The table below sets forth the reported high and low closing prices and the aggregate volume of trading of the Company’s Common Shares on the for each of the months (or, if applicable, partial months) indicated:

Month	CSE Price Range (\$)		Total Volume
	High	Low	
February 2020	0.215	0.09	16,586,824
March 2020	0.115	0.04	13,591,088
April 2020	0.135	0.04	33,527,571
May, 2020	0.16	0.09	22,537,255
June, 2020	0.15	0.09	21,115,337
July, 2020	0.175	0.095	20,350,614
August, 2020	0.18	0.12	10,830,287
September, 2020	0.135	0.085	8,116,464
October, 2020	0.12	0.085	2,903,222
November, 2020	0.14	0.11	4,415,560
December, 2020	0.36	0.12	27,597,109
January, 2021	0.52	0.24	20,836,212
February, 2021	0.53	0.315	10,879,357
March 1 - 9, 2021	0.435	0.30	3,207,742

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax considerations generally applicable to investors described therein of purchasing, holding and disposing of the applicable Securities, including, in the case of an investor who is not a resident of Canada, Canadian non-resident withholding tax considerations.

RISK FACTORS

Prospective investors in a particular offering of the Securities should carefully consider, in addition to information contained in the Prospectus Supplement relating to that offering and the information incorporated by reference herein, the risks described in the AIF and the Annual MD&A, which are incorporated by reference herein as at the date of the Prospectus Supplement relating to the particular offering of Securities.

No Existing Trading Market (other than for Common Shares)

There is currently no market through which the Securities (other than Common Shares) may be sold and purchasers of such Securities may not be able to resell such Securities purchased under this Prospectus. There can be no assurance that an active trading market will develop for such Securities after an offering or, if developed, that such market will be sustained. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. The public offering prices of the Securities may be determined by negotiation between the Company and underwriters based on several factors and may bear no relationship to the prices at which the Securities will trade in the public market subsequent to such offering. See “Plan of Distribution”.

Future Sales May Affect the Market Price of the Company Shares.

In order to finance future operations, the Company may determine to raise funds through the issuance of additional Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. The Company cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares or the dilutive effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares. These sales may have an adverse impact on the market price of the Common Shares

Management will have substantial discretion concerning the use of proceeds.

Management of the Company will have substantial discretion concerning the use of proceeds of an offering under any Prospectus Supplement as well as the timing of the expenditure of the proceeds thereof. As a result, investors will be relying on the judgment of management as to the specific application of the proceeds of any offering of Securities under any Prospectus Supplement. Management may use the net proceeds of any offering of Securities under any Prospectus Supplement in ways that an investor may not consider desirable. The results and effectiveness of the application of the net proceeds are uncertain.

Ongoing Impact of COVID-19

Since December 31, 2019, governments worldwide has been enacting emergency measures to combat the spread of COVID-19. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The development and operation of the Company's business plan is dependent on labour inputs and governmental approvals, which could be adversely disrupted by the ongoing impact of COVID-19. While it is difficult to predict the impact of the coronavirus outbreak on the Company's business, measures taken by the Canadian government and voluntary measures undertaken by the Company with a view to the safety of the Company's employees, may adversely impact the Company's business. While the pandemic has not affected the Company's sales, as the Company is yet to generate revenue, its continued disruption may delay the Company's operations. The ultimate extent of the impact of the pandemic on the Company's business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the pandemic and actions taken to contain or prevent their further spread, among others. Thus, the current pandemic could therefore materially and adversely affect the Company's business, financial condition and results of operations.

PROMOTERS

Carl Saling may be considered to be a Promoter of Hollister for the purposes of applicable securities laws, as he has taken the initiative in reorganizing and financing Hollister. Mr. Saling owns 29,481,200 (12.18%) Common Shares and 3,000,000 options.

To the Company's knowledge, no promoter of the Company is, as at the date of this Prospectus, or was within 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any person or corporation, including the Company, that:

(a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**order**") that was issued while the promoter was acting in the capacity of a director, the chief executive officer, or the chief financial officer thereof; or

(b) was subject to an order that was issued after the promoter ceased to be a director, the chief executive officer, or the chief financial officer thereof and which resulted from an event that occurred while that person was acting in such capacity.

To the Company's knowledge, no promoter of the Company:

(a) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any person or company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, 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; or

(b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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, executive officer, or shareholder.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than disclosed in this Prospectus, there are no material interest, direct or indirect, of the directors or officers of the Company, any shareholder that beneficially owns more than 10% of the Common Shares or any associate or affiliate of any the foregoing persons in any transaction within the last three years or any proposed transaction that has materially affected or would materially affect the Company or any of its subsidiaries.

LEGAL MATTERS

Certain legal matters relating to an offering of the Securities will be passed upon by McMillan LLP, on behalf of the Company.

INTEREST OF EXPERTS

Name of Experts

The following are the persons or companies who were named as having prepared or certified a statement, report or valuation in this Prospectus either directly or in a document incorporated by reference and whose profession or business gives authority to the statement, report or valuation made by the person or company:

- Davidson & Company LLP, the Company's and Labtronix' independent auditors, prepared
 - 3) an independent audit report dated July 13, 2020 in respect of the Company's audited consolidated financial statements for the years ended December 31, 2019 and 2018, and
 - 4) an independent audit report dated July 22, 2020 in respect of Labtronix' audited financial statements for the years ended December 31, 2019 and 2018;
- McMillan LLP, the Company's legal counsel.

Interests of Experts

Davidson & Company LLP has confirmed that they are independent of each of the Company and Labtronix within the meaning of the 'Rules of Professional Conduct' of the Chartered Professional Accountants of British Columbia.

As at the date hereof, the "designated professionals" (as such term is defined in Form 51-102F2 – *Annual Information Form*) of McMillan LLP beneficially own, directly or indirectly, less than one percent of the outstanding Common Shares and holds no other securities of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Davidson & Company, Chartered Professional Accountants, Vancouver, British Columbia.

The Company's Registrar and Transfer Agent is Olympia Trust Company, located in Vancouver, British Columbia.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision or the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

In an offering of convertible, exchangeable or exercisable Securities, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the convertible, exchangeable or exercisable Securities is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal advisor.

Purchaser's rights and remedies under applicable securities legislation against the dealer underwriting or acting as an agent for the Company in an "at-the-market" distribution will not be affected by that dealer's decision to effect the distribution directly or through a selling agent.

CONTRACTUAL RIGHTS OF RESCISSION

In addition to statutory rights of withdrawal and rescission, original purchasers of Warrants (if offered separately from other Securities), Convertible Securities and Subscription Receipts will have a contractual right of rescission against the Company in respect of the exercise of such Warrant, Convertible Securities or Subscription Receipt, as the case may be.

The contractual right of rescission will entitle such original purchasers to receive, in addition to the amount paid on original purchase of the Warrant, Convertible Securities or Subscription Receipt (or Units comprised partly thereof), as the case may be, the amount paid upon conversion, exchange or exercise upon surrender of the underlying securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the Warrant, Convertible Securities or Subscription Receipt under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the Warrant, Convertible Securities or Subscription Receipt under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under Section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under Section 131 of the *Securities Act* (British Columbia) or otherwise at law.

Original purchasers are further advised that in certain provinces the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the security that was purchased under a prospectus, and therefore a further payment at the time of exercise may not be recoverable in a statutory action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights, or consult with a legal advisor.

CERTIFICATE OF THE COMPANY

Dated: March 10, 2021

This short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the Provinces of Canada, other than Quebec.

“Carl Saling”

“Geoffrey Balderson”

Carl Saling, Chief Executive Officer

Geoffrey Balderson, Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

“Anthony Zelen”

“Patrick Morris”

Anthony Zelen, Director

Patrick Morris, Director

CERTIFICATE OF THE PROMOTER

Dated: March 10, 2021

This short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the Provinces of Canada, other than Quebec.

“Carl Saling”

Carl Saling, Promoter

This short form prospectus is a base shelf prospectus. This short form base shelf prospectus has been filed under legislation in each of the provinces of Canada, except Quebec, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission of that information from this prospectus. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery requirements has been obtained.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”). They may not be offered or sold in the United States of America or to or for the account or benefit of a “U.S. person” as defined in Regulation S under the U.S. Securities Act. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy these securities in the United States or to any “U.S. person”.

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Hollister Biosciences Inc., 1802 Shelton Drive, #102, Hollister, California 95023, Telephone: (855) 215-7873, and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

March 10, 2021



HOLLISTER BIOSCIENCES INC.

\$50,000,000

**Common Shares
Debt Securities
Subscription Receipts
Convertible Securities
Warrants
Units**

This short form base shelf prospectus (this “**Prospectus**”) relates to the offering for sale of common shares (the “**Common Shares**”), debt securities (the “**Debt Securities**”), subscription receipts (the

“**Subscription Receipts**”) exchangeable for Common Shares and/or other securities, securities convertible or exchangeable for other securities (the “**Convertible Securities**”) and warrants exercisable to acquire Common Shares and/or other securities (the “**Warrants**”) or any combination of such securities (the “**Units**”) (all of the foregoing, collectively, the “**Securities**”) by Hollister Biosciences Inc. (“**Hollister**” or the “**Company**”) from time to time, during the 25-month period that the Prospectus, including any amendments hereto, remains effective, in one or more series or issuances, with a total offering price of the Securities in the aggregate, of up to \$50,000,000. The Securities may be offered for sale separately or in combination with one or more other Securities and may be sold from time to time in one or more transactions at a fixed price or prices (which may be changed) or at market prices prevailing at the time of sale, at prices determined by reference to such prevailing market prices or at negotiated prices.

The specific terms of any Securities offered will be described in one or more shelf prospectus supplements (collectively or individually, as the case may be, a “**Prospectus Supplement**”), including, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price and any other specific terms; (ii) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, whether the Debt Securities are being offered for cash, the covenants, the events of default, any terms for redemption or retraction, any exchange or conversion rights attached to the Debt Securities, and any other terms specific to the Debt Securities being offered; (iii) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, whether the Subscription Receipts are being offered for cash, the terms, conditions and procedures for the exchange of the Subscription Receipts into or for Common Shares and/or other securities of the Company and any other terms specific to the Subscription Receipts being offered (iv) in the case of Convertible Securities, the number of Convertible Securities offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a fixed price distribution), the procedures for the conversion or exchange of such Convertible Securities into Common Shares and/or other securities of the Company, and any specific terms, (v) in the case of Warrants, the number of Warrants offered, the offering price, the designation, number and terms of the Common Shares issuable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; and (vi) in the case of Units, the designation, number and terms of the Common Shares, Debt Securities, Subscription Receipts, Convertible Securities or Warrants comprising the Units. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the Securities will be included in the Prospectus Supplement describing the Securities. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

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

This Prospectus does not qualify for issuance of Debt Securities, or Securities convertible or exchangeable into Debt Securities, in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. This Prospectus may

qualify for issuance of Debt Securities, or Securities convertible or exchangeable into Debt Securities, in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates such as CDOR (the Canadian Dollar Offered Rate) or LIBOR (the London Interbank Offered Rate), and/or convertible into or exchangeable for Common Shares and/or other securities of the Company.

The Company and/or any selling securityholders may sell the Securities to or through underwriters or dealers purchasing as principals, and may also sell the Securities directly to one or more purchasers pursuant to applicable statutory exemptions or through agents. See "Plan of Distribution". This Prospectus may qualify an "at-the-market" distribution (as such term is defined in National Instrument 44-102 – *Shelf Distributions* ("NI 44-102")). The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged by the Company and/or the selling securityholder in connection with such offering and sale of the Securities, and will set forth the terms of the offering of such Securities, including, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents in connection with the offering, the method of distribution of the Securities, the initial issue price (in the event that the offering is a fixed price distribution), the proceeds that the Company and/or selling securityholder will receive and any other material terms of the plan of distribution. The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to such prevailing market prices or at negotiated prices, which prices may vary as between purchasers and during the period of distribution of the Securities.

In connection with any offering of the Securities, other than an at-the-market offering, the underwriters, dealers or agents, as the case may be, may over allot or effect transactions which stabilize or maintain the market price of the Securities at a level above that which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

The Company's outstanding Common Shares are listed and posted for trading on the Canadian Securities Exchange (the "CSE") under the symbol "HOLL, on the QTQBQ under the symbol "HSTRF" and on the Frankfurt Stock Exchange under the symbol "HOB". The Company's head office is located at 1802 Shelton Drive, #102, Hollister, California 95023. The Company's registered office is located at Suite 1500-1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The Company has a negative operating cash flow for the year ended December 31, 2019 and for the three and nine month period ended September 30, 2020. To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

Unless otherwise disclosed in any applicable Prospectus Supplement, the Debt Securities, Subscription Receipts, Convertible Securities, Warrants and the Units will not be listed on any securities exchange. Unless the Securities are disclosed to be listed, there will be no market through which these Securities may be sold and purchasers may not be able to resell these Securities purchaser under this Prospectus. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities, and the extent of issuer regulation. See "Risk Factors".

This Prospectus describes the securities of an entity that currently derives a portion of its revenues from the cannabis industry in certain states of the United States, which industry is illegal under United States federal law. The Company, or a United States (“U.S.”) subsidiary of the Company, is directly participating in the recreational cannabis industry in the States of California and Arizona where local state laws permit such activities.

As of the date of this Prospectus, 36 states, plus the District of Columbia (and the territories of Guam, Puerto Rico, the U.S. Virgin Islands and the Northern Mariana Islands), have legalized the cultivation and sale of cannabis for medical purposes. In 14 states, the sale and possession of cannabis is legal for both medical and adult use, and the District of Columbia has legalized adult use but not commercial sale. On November 3, 2020, voters in South Dakota approved the legalization of recreational use of cannabis via a constitutional amendment, which comes into effect on July 1, 2021. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a Schedule I controlled substance under the *Controlled Substances Act* (the “CSA”) in the United States and as such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under United States federal law. There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Further, strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under United States federal law, nor will it provide a defence to any federal proceeding which may be brought against the Company. Any such proceedings brought against the Company may adversely affect the Company’s operations and financial performance.

As a result of the conflicting views between U.S. state legislatures and the U.S. federal government regarding cannabis, investments in cannabis businesses in the U.S. are subject to inconsistent legislation and regulation. Unless and until the U.S. Congress amends the CSA with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, which may adversely affect the current and future business and investments of the Company in the U.S. As such, there are a number of risks associated with the Company’s intended business and investments in the U.S.

For the reasons set forth above, the Company’s intended interests in the U.S. cannabis market may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. There are a number of risks associated with the business of the Company. See further descriptions of these risks under the heading “*Risk Factors*” in the AIF (as defined herein).

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ABOUT THIS SHORT FORM BASE SHELF PROSPECTUS

An investor should rely only on the information contained in this Prospectus (including the documents incorporated by reference herein) and is not entitled to rely on parts of the information contained in this Prospectus (including the documents incorporated by reference herein) to the exclusion of others. The Company has not authorized anyone to provide investors with additional or different information. The Company takes no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give readers of this Prospectus. Information contained on, or otherwise accessed through, the Company's website shall not be deemed to be a part of this Prospectus and such information is not incorporated by reference herein.

The Company is not offering to sell the Securities in any jurisdictions where the offer or sale of the Securities is not permitted. The information contained in this Prospectus (including the documents incorporated by reference herein) is accurate only as of the date of this Prospectus or as of the date as otherwise set out herein (or as of the date of the document incorporated by reference herein or as of the date as otherwise set out in the document incorporated by reference herein, as applicable), regardless of the time of delivery of this Prospectus or any sale of the Common Shares, Debt Securities, Subscription Receipts, Convertible Securities, Warrants and/or Units. The business, financial condition, capital, results of operations and prospects of the Company may have changed since those dates. The Company does not undertake to update the information contained or incorporated by reference herein, except as required by applicable Canadian securities laws.

This Prospectus shall not be used by anyone for any purpose other than in connection with an offering of Securities as described in one or more Prospectus Supplements.

The documents incorporated or deemed to be incorporated by reference herein contain meaningful and material information relating to the Company and readers of this Prospectus should review all information contained in this Prospectus, the applicable Prospectus Supplement and the documents incorporated or deemed to be incorporated by reference herein and therein.

GENERAL MATTERS

In this Prospectus, references to "Hollister", the "Company", "we", "us" and "our" refers, collectively, to Hollister Biosciences Inc. and our subsidiaries.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this Prospectus concerning the industry and markets in which Hollister operates, including its general expectations and market position, market opportunity and market share is based on information from independent industry organizations, and other third-party sources (including industry publications, surveys and forecasts), and management estimates. Unless otherwise indicated, management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from the Company's internal research, and are based on assumptions made by the Company based on such data and its knowledge of such industry and markets, which it believes to be reasonable. The Company's internal research has not been verified by any independent source, and it has not independently verified any third-party information. While the Company believes the market position, market opportunity and market share information included in this Prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance and the future performance

of the industry in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the heading “Risk Factors”.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains certain statements, which may constitute “forward-looking information” within the meaning of Canadian securities law requirements (“**forward-looking statements**”). These forward-looking statements are made as of the date of this Prospectus. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect Company management’s expectations or beliefs regarding future events. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “pipeline”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including “may”, “future”, “expected”, “intends” and “estimates”. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Certain forward-looking statements in this Prospectus include, but are not limited to the following:

- the Company’s expectations regarding its revenue, expenses and operations;
- the Company’s intention to grow its business and its operations;
- the development/expansion of the Facility (as defined herein) and the respective costs and timing associated therewith;
- expectations with respect to future production costs and capacity;
- U.S. federal and state regulation of cannabis and cannabis related products, and any commentary related to the U.S. federal legalization of medical and recreational cannabis and the timing related to such legalization;
- the grant and impact of any license to conduct activities with cannabis or any amendments thereof;
- expectations with respect to the future growth of Company’s anticipated medical and/or adult-use recreational cannabis products;
- expectations related to the Company’s cannabis supply chain;
- the benefits, safety, efficacy, dosing and social acceptance of cannabis;
- the Company’s competitive position and the regulatory environment in which the Company operates;
- effect of the novel coronavirus disease 2019 (“**COVID-19**”) outbreak on the ability of the Company to carry on business; and
- the Company’s anticipated cash needs and its needs for additional financing.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward looking statements included in this Prospectus, the Company has made various material assumptions, including but not limited to (i) obtaining the necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business and economic conditions; (iv) the

Company's ability to successfully execute its plans and intentions; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company's competitors; and (ix) the Company will maintain its current good relationships with its suppliers, service providers and other third parties. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors" in the AIF (as defined herein), which include:

- the Company is a development stage company with little operating history, and a history of losses and the Company cannot assure profitability;
- the Company has negative cash flow for the year ended December 31, 2019 and the three and nine months ended September 30, 2020;
- the Company's actual financial position and results of operations may differ materially from the expectations of management;
- the Company expects to incur significant ongoing costs and obligations relating to its investment in infrastructure, growth, regulatory compliance and operations;
- the cannabis industry and market are relatively new in California and this industry and market may not continue to exist or grow as anticipated or the Company may be ultimately unable to succeed in this new industry and market;
- there are factors which may prevent the Company from the realization of growth targets;
- the Company faces construction risk factors;
- risks specifically related to the U.S. regulatory system;
- the enforcement of relevant laws is a significant risk;
- risks related to the interpretation and application of the 2018 Farm Bill (as defined herein);
- risks related to the regulation of hemp-derived CBD products;
- the Company's operations in the U.S. cannabis market may become the subject of heightened scrutiny;
- U.S. border officials could deny entry into the U.S. to management, employees and/or investors in companies with cannabis operations in the U.S.;
- the Company's operations and potential investments in the United States are subject to applicable anti-money laundering laws and regulations;
- the Company's operations and potential investments in the United States may be subject to heightened scrutiny by Canadian authorities;
- risks related to changes in laws, regulations and guidelines;
- the Company's reliance on third-party suppliers, manufacturers and contractors;
- the ability of the Company to maintain its distribution relationship with Indus (as defined herein);
- the Company may not be able to develop its products, which could prevent it from ever becoming profitable or generate revenue;
- the Company's operations are subject to environmental regulation in the jurisdiction in which it operates;
- the Company faces competition from other companies where it will conduct business that may have higher capitalization, more experienced management or may be more mature as a business;
- if the Company is unable to develop and market new products, it may not be able to keep pace with market developments;
- if the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the cannabis market;

- the size of the Company’s target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data;
- the Company’s industry is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition;
- the Company continues to sell shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders;
- the cultivation of cannabis includes risks inherent in an agricultural business including the risk of crop loss, sudden changes in environmental conditions, equipment failure, product recalls and others;
the Company may be subject to product recalls for product defects self-imposed or imposed by regulators;
- the Company is reliant on key inputs, such as water, utilities and bulk cannabis materials, and any interruption of these services could have a material adverse effect on the Company’s finances and operation results;
- the Company is dependent on access to skilled labour, equipment and parts;
- the expansion of the medical cannabis industry may require new clinical research into effective medical therapies, when such research has been restricted in the U.S.;
- the Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Company;
- the Company will be reliant on information technology systems and may be subject to damaging cyber-attacks;
- the Company may be subject to breaches of security at the Facility;
- the Company’s officers and directors may be engaged in a range of business activities resulting in conflicts of interest;
- in certain circumstances, the Company’s reputation could be damaged;
- risks related to the Company’s need additional financing;
- if the Company has a material weakness in its internal controls over financial reporting, investors could lose confidence in the reliability of its financial statements, which could result in a decrease in the value of the Company’s securities;
- risks related to publicity or consumer perception;
- risks related to the difficulty to make forecasts;
- risks related to Alphamind’s (as defined herein) products;
- force majeure events could result in a material adverse effect on the Company;
- the impact of COVID-19 on the Company is unknown at this time and the financial consequences of this situation cause uncertainty as to the future and its effects on the economy and the Company;
- risks related to the market price of the Company’s common shares and volatility; and
- risks related to transactions engaged in by the Company’s largest shareholders, its directors or officers.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under “Risk Factors” in the AIF should be considered carefully by readers.

Certain statements included in this Prospectus may be considered a “financial outlook” for purposes of applicable Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other than this Prospectus. All forward-looking statements are made as of the date of this Prospectus. Except as expressly required by applicable law, the Company assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All forward-looking statements in this Prospectus are qualified by these cautionary statements.

CURRENCY PRESENTATION

Unless stated otherwise or as the context otherwise requires, all references to dollar amounts in this Prospectus, any Prospectus Supplement, and any other document that are incorporated by reference into this Prospectus are references to Canadian dollars, unless otherwise indicated.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions in the each of the Provinces of Canada, other than Quebec (the “Securities Commissions”) or any similar authorities in the provinces and territories of Canada. Copies of the documents incorporated herein by reference may also be obtained on request without charge from charge from Hollister Biosciences Inc., 1802 Shelton Drive, #102, Hollister, California 95023, Telephone: (604) 961-0296. In addition, copies of the documents incorporated by reference herein may be obtained from the Securities Commissions electronically on SEDAR, at www.sedar.com.

The following documents or portions of documents filed with the Securities Commissions are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- the annual information form of the Company for the year ended December 31, 2019, dated August 28, 2020 (the “**AIF**”);
- the audited annual consolidated financial statements of the Company, and the notes thereto for the years ended December 31, 2019 and 2018, together with the auditors’ report thereon;
- the management’s discussion and analysis of financial condition and results of operations for the year ended December 31, 2019 (the “**Annual MD&A**”);
- the amended and restated unaudited condensed interim consolidated financial statements of the Company, and the notes thereto for the three and nine months ended September 30, 2020, together with the notes thereto;
- the amended and restated management’s discussion and analysis of financial condition and results of operations for the three and nine months ended September 30, 2020;
- the management information circular dated September 9, 2020 with respect to the Company’s annual general meeting held on October 16, 2020;
- the business acquisition report of the Company dated July 24, 2020 filed in connection with the acquisition of Labtronix Inc., d/b/a Venom Extracts (“**Venom Extracts**”);
- the material change report dated March 30, 2020 with respect to the closing of the acquisition of Venom;
- the material change report dated May 5, 2020 with respect to the closing of the acquisition of Alphamind Brans Inc. (“**Alphamind**”);
- the material change report dated August 11, 2020 with respect to closing of the Company’s \$1,500,000 non-brokered private placement of units; and

- the material change report dated March 10, 2021 with respect to the closing of the Special Warrant Offering (as defined herein).

Any documents of the type referred to above or in Section 11.1 of Form 44-101F1, including any material change reports (excluding confidential reports), annual and interim financial statements (including management's discussion and analysis filed in connection with such annual and interim financial statements), updated disclosure of earnings interest coverage ratios, and information circulars or annual filings that are filed by the Company with the Securities Commissions or any similar authorities in the provinces and territories of Canada after the date of this Prospectus and prior to the termination of the offering under any Prospectus Supplement shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Upon a new annual information form and the related annual financial statements being filed by the Company with, and, where required, accepted by the Securities Commissions and similar authorities in the provinces and territories of Canada during the currency of this Prospectus, the previous annual information form, the previous annual financial statements and all interim financial statements, material change reports and annual filings or information circulars filed before the commencement of the Company's fiscal year in which the new annual information form is filed will be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

A Prospectus Supplement containing the specific terms in respect of any Securities, updated disclosure of earnings interest coverage ratios (if applicable) and any additional or updated information that the Company may elect to include (provided that such information does not describe a material change that has not already been the subject of a material change report or a prospectus amendment) will be delivered to purchasers of such Securities, together with this Prospectus, and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement, but only for the purposes of the offering of such Securities.

Any template version of any "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements* of the Canadian Securities Administrators) filed after the date of a Prospectus Supplement and before the termination of the distribution of the Securities offered pursuant to such Prospectus Supplement (together with this Prospectus) is deemed to be incorporated by reference in such Prospectus Supplement.

THE COMPANY

The Company was incorporated on April 17, 2019 under the Business Corporations Act (British Columbia) under the name “1205600 B.C. Ltd.” On August 29, 2019, it changed its name to “Hollister Biosciences Inc.”

The Company’s head office is located at 1802 Shelton Drive, #102, Hollister, California 95023 and its registered and records office is located at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The Common Shares are listed on the CSE under the trading symbol “HOLL”. The Common Shares are also quoted on the OTCQB, part of the OTC Markets Group, under the trading symbol “HSTRF” and on the Frankfurt Stock Exchange under the symbol “HOB”. The Company is a reporting issuer in Canada in the Provinces of British Columbia and Ontario.

SUMMARY DESCRIPTION OF THE BUSINESS

The Company, through its wholly owned subsidiaries, currently manufactures hash, tinctures, hash infused products, crumble infused products, pre-roll, and other cannabis products under several proprietary brands and as white label products. The Company intends to be an integrated company operating across the entire cannabis value chain, cultivating, manufacturing and producing cannabis and cannabis products. Further, the Company manufactures and distributes hemp products.

Hollister operates a 37,061 square feet indoor cannabis facility located at 1802 Shelton Drive, #102, Hollister California 95023 (the “**Facility**”) that meets all security requirements under applicable laws. Hollister currently operates in 2,061 square feet of the Facility and uses this space to conduct its cannabis handling activities. The Company intends to build-out the remaining portion (35,000 square feet) of the Facility to allow for additional processing, manufacturing and packaging projects, including Hollister’s nanoemulsified cannabis concentrate to be used in sublingual sprays, beverages, edibles and capsules (as permitted).

The Company plans to use the cannabis Facility for the production and downstream processing of cannabis products using plant materials purchased from the licensed marketplace. Some products will be unprocessed (e.g. dried flowers), while others will be processed (e.g. oil derived from the cannabis leaves). The Company expects to offer products in the medicinal and recreational spaces, which may include products in the categories of, pre packaged flower, pre-roll, infused pre-roll, bubble hash, tinctures, beverages, edibles and pet products.

Hollister currently manufactures pre-rolls and infused pre-rolls described below and distributes its products primarily through its distributor, Indus:

HashBones

Hashbones are a pre-roll or joint made from 75% cannabis flower blended in small batches with 25% bubble hash. This results in a more potent pre-roll. It also maintains the integrity of the cannabis. Terpenes are preserved in the bubble hash production process. Bubble hash is made without solvents or chemicals and is one of the cleanest concentrates available on the market. It is also more stable than flower alone, making these pre-rolls more ‘shelf’ stable than the average pre-roll. Many other infused pre-rolls have distillate, usually made with butane or ethanol, painted on the outside of the pre-roll which is then dipped in kief or hash. This results in a product that is messy and does not offer the same full flavor profile that blending hash with flower provides.

HashBones are the Company's pre-roll made of 75% flower and 25% artisanal bubble hash. Pre-rolls are currently the Company's most successful product.

The Company purchases cannabis flower and carefully grinds up the flower to remove any waste material and stems. Hollister only uses raw flower that meets its high quality standards. The Company manufacturers bubble hash with purified water and ice in hash wash machines. It is dried in state of the art freeze dryers. The Company's pre-rolls are machine filled and every pre-roll is precisely weighed to ensure it meets state requirements for variance.

The infusion of bubble hash makes this product unique and very popular. Due to the labor it takes to craft bubble hash there are few competitors in the space.

Mighty Meds

Hollister acquired Mighty Meds as its vape brand. The Company's vape products are manufactured from pure THC distillate and plant-based terpenes.¹ The Company is planning to re-brand its "Mighty Meds" brand to "Mighty Vape", following its experience that the term "meds" has not translated well in the competitive adult use marketplace. The Company also intends to update its website, create new vape hardware and upgrade its vape formulas.

Venom Extracts

The Company, through Venom Extracts, manufactures cannabis distillate and related products. Venom Extract's business operations entail the manufacturing of concentrates, Propane Hash Oil (P.H.O.) concentrates and cartridges and distribution of products for medical use in the state of Arizona.

Rebel Hemp Company

The Company manufactures certain hemp products under the name "Rebel Hemp Company". On December 12, 2019, the Company launched a hemp brewed beverage, branded as "Rebel Tea", which is a THC-free beverage that contains fifteen milligrams of whole-plant full-spectrum phytochemicals. The company also entered into a letter of intent with Mountain Financial Solutions LLC, pursuant to which the Company will purchase 1,000 pounds of hemp for use in hemp pre-rolls to be manufactured by the Company.

Alphamind

Alphamind is a Canada and U.S. based growth stage company, that is developing a portfolio of certified legal mushroom based natural health products. It is also actively conducting R&D initiatives, led by Dr. Nikos C. Apostolopoulos, who is exploring psilocybin based pharmaceutical treatments. The company's "ready to ship" product SKU's include Cordyceps, Lion's Mane, Shiitake, Oyster and Reishi Mushroom based: liquid tinctures, concentrated mushroom powder(s), teas, and chocolate.

AlphaMind's initial product line will consist of a blended and bottled powder and capsule consisting of powdered cordyceps, lion's mane, oyster, reishi and shiitake medicinal mushroom varieties. The formulations for both products are unique and developed through research driven initiatives. The health benefits that the capsules and powder intend to provide include but are not limited to anti-inflammatory, antioxidant, anti-ageing, anti-microbial and immune system support.

¹ "Terpenes" are diverse class of organic compounds produced by certain plants. These compounds are often to enhance the flavor and effects of cannabis.

Intellectual Property and Licences

The following table sets out a description of the Company's intellectual property and cannabis licences.

Name	Terms and Conditions	Expiry Date
Licencing Agreement dated January 12, 2019 between the Company and Chongson, Inc.	Provides Hollister the right to manufacture and distribute products for Tommy Chong under the Tommy Chong's cannabis brand in California. The first product is a Full Spectrum Elixr (Tincture). Fee: 12% royalty on product gross revenue per SKU sold.	Renewable yearly unless terminated on 30 days' notice
Exclusive IP Licence Agreement dated November 25, 2020 between the Company and ER71 USA Inc.	Exclusive license for Hollister to manufacture and distribute cannabis products under the Easyriders' brand in the United States. Fee: 20% of adjusted gross revenue.	Two year agreement renewable for one additional two year term
Medical Marijuana Dispensary Registration Certificate dated August 8, 2020 issued by Arizona Department of Health Services to Catalina Hills Botanical Care, Inc.	Approval to dispense, sell edibles, dispense edibles and cultivate offsite	August 7, 2022
Annual Manufacturing License – Adult and Medicinal Cannabis Product – Provisional issued April 23, 2020 by California Department of Public Health to Hollister Holistics 1	License to manufacture cannabis products at licensed premises.	August 23, 2021
Adult-Use and Medicinal – Distributor License- Provisional dated August 13, 2019 issued by Bureau of Cannabis Control California to Hollister Holistics 1	Distributor License	August 12, 2021
Adult-Use and Medicinal – Retailer Nonstorefront License- Provisional dated January 12, 2021 issued by Bureau of Cannabis Control California to Hollister Holistics 2	Retail License	January 12, 2022
Cannabis Facility Licensed Premises Certificate dated April 16, 2020 issued by City of Hollister to Carl Saling operator of Hollister Holistics 1	License to operate cannabis distribution facility	April 16, 2021

Cannabis Facility Licensed Premises Certificate dated December 22, 2020 issued by City of Hollister to Carl Saling operator of Hollister Holistics	License to operate cannabis manufacturing facility	December 22, 2021
Cannabis Facility Licensed Premises Certificate dated January 25, 2021 issued by City of Hollister to Carl Saling operator of Hollister Holistics 2	License to operate a cannabis delivery/non-storefront retail	December 25, 2022

RECENT DEVELOPMENTS

Special Warrant Financing

On March 2, 2021, the Company closed an offering of 21,635,094 special warrants of the Company (the “**Special Warrants**”) at a price of \$0.365 per Special Warrant for total gross proceeds of \$7,896,809.31 (the “**Special Warrant Offering**”). Eight Capital acted as sole bookrunner and lead agent, together with a syndicate of agents (collectively, the “**Agents**”) pursuant to an agency agreement dated March 2, 2021.

Each Special Warrant shall be automatically exercisable into units of the Company (the “**SW Units**”), with each SW Unit consisting of one Common Share and one-half of one common share purchase warrant (each full warrant, a “**Unit Warrant**”). Each Unit Warrant shall entitle the holder thereof to acquire one Common Share at a price of \$0.50 per Common Share for a period of 46 months following the Closing Date.

Each Special Warrant shall be automatically exercisable, for no additional consideration, into SW Units on the date that is the earlier of: (i) the date that is three business days following the date on which the Company either (A) obtains a receipt from the applicable securities regulatory authorities for a (final) short form prospectus qualifying distribution of the SW Units underlying the Special Warrants (the “**Qualifying Prospectus**”); or (B) files a supplement to a (final) short form base shelf prospectus qualifying the distribution of the SW Units underlying the Special Warrants (the “**Qualifying Supplement**”), and (ii) the date that is four months and one day after the Closing of the Special Warrant Offering.

The Company will use its commercially reasonable efforts to obtain a receipt for the Qualifying Prospectus or to file a Qualifying Supplement before March 12, 2021, provided, however, that there is no assurance that a Qualifying Prospectus or Qualifying Supplement will be filed or that a receipt therefor will be issued prior to the expiry of the statutory four month hold period.

Notwithstanding the foregoing, in the event the Company has not received a receipt for the Qualifying Prospectus or filed a Qualifying Supplement before March 12, 2021, each unexercised Special Warrant will thereafter entitle the holder to receive, upon the exercise thereof, for no additional consideration, instead of a SW Unit, a penalty unit (a “**Penalty Unit**”), with each Penalty Unit being comprised of one Common Share and one full SW Warrant.

As partial compensation, the Company issued to the Agents 1,441,580 broker special warrants (the “**Broker Special Warrants**”). Each Broker Special Warrant is exercisable for no additional consideration into one broker warrant (a “**Broker Warrant**”). Each Broker Warrant is exercisable into one SW Unit at the exercise price of \$0.365 for a period of 24 months.

Easyriders Agreement

On December 15, 2020, the Company signed an exclusive agreement with Easyriders to design, manufacture and produce a national cannabis product line in part with Easyriders 50th anniversary. The Company anticipates the new line will make its debut in February 2021.

Venom Extracts Achieves Second and Final Revenue Milestone

On December 10, 2020, the Company announced that Venom Extracts reached its second and final milestone by generating in excess of \$40 million revenue calculated from January 1, 2020. As a result, the Company issued 9,870,018 Common Shares to certain former Venom shareholders at a deemed price of \$0.20 per Common Share. The Earn-Out Shares are not subject to any hold period under applicable securities laws.

Trademark Approval for HashBone

On December 8, 2020, the Company announced that it has received trademark approval from the California Secretary of State for its brand “HashBone”.

Launch of Dreamy Delivery

On November 10, 2020, the Company announced the soft launch of Dreamy Delivery, the Company’s platform that allows it to deliver cannabis to consumers in the San Francisco Bay Area. On December 22, 2020, the Company expanded the launch of Dreamy Delivery to consumers in Sacramento. The Company launched Dreamy Delivery to cover the Central Coast of California on January 25, 2021.

Venom Extracts Achieves First Revenue Milestone

On October 6, 2020, the Company announced that Venom Extracts achieved the first of two revenue milestones in accordance with the terms of the definitive agreement that was entered in connection with the acquisition of Venom by the Company. On September 23, 2020, Venom achieved the first revenue milestone by generating in excess of \$30,000,000 of revenue calculated from January 1, 2020. As a result, the Company will issue 19,740,036 Common Shares to certain former Venom shareholders at a deemed price of \$0.20 per Common Share.

CONSOLIDATED CAPITALIZATION

There have been no material changes in the Company’s share and loan capitalization, on a consolidated basis, since September 30, 2020, being the date of the Company’s most recently filed consolidated financial statements incorporated by reference in this Prospectus other than:

- the issuance of 29,610,054 Common Shares pursuant to the Venom extract earn-out at the deemed price of \$0.20 per Common Share;
- the issuance of 6,337,701 Common Shares pursuant to the exercise of warrants of the Company at the exercise prices of \$0.10 per Common Share and \$0.105 per Common Share;
- the issuance of 866,667 Common Shares pursuant to the exercise of stock options at exercise prices ranging from \$0.105 to \$0.135; and

- the issuance on March 2, 2021 of 21,635,094 Special Warrants and 1,441,580 Broker Special Warrants.

USE OF PROCEEDS

The use of proceeds from the sale of Securities will be described in a Prospectus Supplement relating to a specific issuance of Securities. This information will include the net proceeds to the Company from the sale of the Securities, the use of those proceeds and the specific business objectives that the Company expects to accomplish with those proceeds.

All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of our general funds, unless otherwise stated in the applicable Prospectus Supplement.

The Company has a negative operating cash flow for the year ended December 31, 2019 and for the three and nine month period ended September 30, 2020. To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

Expected Use of Proceeds from the Special Warrant Offering

The proceeds from the Special Warrant Offering are expected to cover the Company's expenditures for the next 12 months. The Company expects to use the proceeds for i) capital expenditure to expand the Company's equipment footprint for its Arizona extraction business (Labtronix Inc. dba Venom Extracts) in order to increase production capacity due to increased customer demand as a result of adult use legalization in the state of Arizona, ii) greenfield development of a cultivation site in Arizona to build redundancy into the Company's supply of raw material, iii) working capital purposes pursuant to long-term raw material supply agreements that the Company has been able to negotiate with key suppliers, iv) marketing and promotion related to introducing the Venom Extracts product suite into California, v) marketing for the Company's Dreamy Delivery direct to consumer platform in California, and vi) general corporate purposes. The specific amounts the Company anticipates allocating to each of these uses and the timeline for use is described below. The use of proceeds for the Special Warrant Offering will be included in the Qualifying Supplement the Company intends to file to qualify the distribution of the SW Units.

- \$500,000 – capital expenditure on equipment in Arizona

Proposed timing of completion: End of Q1

- \$500,000 – marketing of Venom Extracts product suite in California and Dreamy Delivery direct to consumer platform

Proposed timing of completion: End of Q3

- \$2.5 million – Greenfield development – building out low cost “hoop house” infrastructure on property in Arizona to build redundancy into our supply chain of raw material and expand gross profit margins

Proposed timing of completion: End of Q4

- \$1.5 million – working capital needs pursuant to long term raw material supply agreement (s) we are able to negotiate with key suppliers

Proposed timing of completion: End of Q2

Effects of COVID-19

COVID-19 has added a level of complexity to the Company's sales process. Sales representatives are unable to visit buyers in person on a regular basis and most of the in-store brand ambassador marketing has ceased. The Company's marketing strategy has evolved and the Company has been using online video calls with buyers and has increased its virtual in store product demonstrations. COVID-19 has slowed the release of some of the Company's products due to the fact that it is unable to reach as many customers and buyers. Due to COVID-19, the Company has accelerated its plans for delivery of its products and shifted its production to meet customer demand. For example, large pre rolls have fallen out of favor as they are not shareable. Multi-pack smaller pre rolls like the Hashbone minis are more popular now, as they are shareable in a socially distanced manner. The Company has opted to launch the Easyriders brand with a 10 pack of mini pre rolls.

Given the above, the Company could find itself unable to allocate or use proceeds due to COVID-19. This in turn could increase the amount of time it could take for the Company to develop its business, thus increasing expense associated with some or all of the use of proceeds. The economic effects of COVID-19 if prolonged are likely to not favour the Company's plans for developing its business and product marketing, as noted above, and could materially alter how the Company uses proceeds, potentially unfavorably and disproportionately. The virus, if prolonged, could cause retailers to shift merchandising priorities and focus resources on sourcing and stocking goods deemed "more essential" than the Company's products, causing the Company to be unable to invest in its business as the use of proceeds anticipate. This could result in the Company finding itself unable to fully develop its business as intended, thereby having to decrease expenses, and while being relatively more liquid over a nearer term as a consequence of such decrease in expenses, the Company could be in a position of never being able to take the steps associated with any use of proceeds needed to ultimately grow revenue to cover and exceed expenses. The Company's products are not inexpensive. There is the risk that demand for its products could decrease given prolonged economic effects upon consumers caused by COVID-19. This could make Company projects, programs and development associated with the use of proceeds ineffective or infeasible. See "Risk Factors".

DESCRIPTION OF SECURITIES

The following is a summary of the material attributes and characteristics of the Securities as at the date of this Prospectus. This summary does not purport to be complete. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

Common Shares

The Company is authorized to issue an unlimited number of Common Shares without par value. As of the date of this Prospectus 246,016,305 Common Shares are issued and outstanding.

Holders of Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Company, and each Common Share confers the right to one vote, provided that

the shareholder is a holder on the applicable record date declared by the Board. The holders of Common Shares, subject to the prior rights, if any, of any other class of shares of the Company with special rights as to dividends, are entitled to receive such dividends in any financial year as the Board may determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The Common Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Debt Securities

The section describes the general terms and provisions of the Debt Securities that may be offered by the Company pursuant to this Prospectus. The particular terms and provisions of the Debt Securities offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement, which particular terms and provisions of such Debt Securities may differ from the general terms and provisions described below in some or all respects.

The Debt Securities will be issued in series under one or more trust indentures to be entered into between the Company and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee. Each such trust indenture, as supplemented or amended from time to time, will set out the terms of the applicable series of Debt Securities. The statements in this Prospectus relating to any trust indenture and the Debt Securities to be issued under it are summaries of anticipated provisions of an applicable trust indenture and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of such trust indenture, as applicable.

Each trust indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by the Company. Any Prospectus Supplement for Debt Securities will contain the terms and other information with respect to the Debt Securities being offered, including: (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities; (ii) the currency for which the Debt Securities may be purchased and the currency in which the principal and any interest is payable (in either case, if other than Canadian dollars), (iii) the percentage of the principal amount at which such Debt Securities will be issued; (iv) the date or dates on which such Debt Securities will mature; (v) the rate or rates at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any); (vi) the dates on which any such interest will be payable and the record dates for such payments; (vii) any redemption term or terms under which such Debt Securities may be defeased; (viii) any exchange or conversion terms (including, as applicable, the terms in respect of any convertibility to Subordinate Voting Shares); and (ix) any other specific terms.

Each series of Debt Securities may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary.

The Debt Securities will be direct obligations of the Company. The Debt Securities will be senior or subordinated indebtedness of the Company as described in the relevant Prospectus Supplement.

Subscription Receipts

This section describes the general terms that will apply to any Subscription Receipts that may be offered by us pursuant to this Prospectus by way of a Prospectus Supplement. Subscription Receipts may be offered separately or together with Common Shares, Debt Securities, Warrants or Units, as the case may be. The Subscription Receipts will be issued under a subscription receipt agreement.

The applicable Prospectus Supplement will include details of the subscription receipt agreement covering the subscription receipts being offered. A copy of the Subscription Receipt agreement relating to an offering of subscription receipts will be filed by us with the applicable securities regulatory authorities after it has been entered into by us. The specific terms of the Subscription Receipts, and the extent to which the general terms described in this section apply to those Subscription Receipts, will be set forth in the applicable Prospectus Supplement. This description will include, where applicable:

- the number of Subscription Receipts;
- the price at which the Subscription Receipts will be offered;
- the currency at which the Subscription Receipts will be offered and whether the price is payable in installments;
- the procedures for the exchange of the Subscription Receipts into Common Shares and/or Securities of the Company;
- the number of Common Shares and/or Securities of the Company that may be issued upon exercise or deemed conversion of each Subscription Receipt;
- the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- conditions to the conversion or exchange of Subscription Receipts into other Securities and the consequences of such conditions not being satisfied;
- terms applicable to the gross or net proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- the dates or periods during which the Subscription Receipts may be converted or exchanged;
- the circumstances, if any, which will cause the Subscription Receipts to be deemed to be automatically converted or exchanged;
- provisions applicable to any escrow of the gross or net proceeds from the sale of the Subscription Receipts plus any interest or income earned thereon, and for the release of such proceeds from such escrow;
- if applicable, the identity of the Subscription Receipt agent;
- whether the Subscription Receipts will be listed on any securities exchange;
- whether the Subscription Receipts will be issued with any other Securities and, if so, the amount and terms of these Securities;
- any minimum or maximum subscription amount;
- whether the Subscription Receipts are to be issued in registered form, “book-entry only” form, non-certificated inventory system form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;

- any material risk factors relating to such Subscription Receipts and the Securities to be issued upon conversion or exchange of the Subscription Receipts;
- any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts and the Securities to be issued upon exchange of the Subscription Receipts;
- material Canadian and United States income tax consequences of owning or converting or exchanging the Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts and the Securities to be issued upon the exchange of the Subscription Receipts.

The terms and provisions of any Subscription Receipts offered under a Prospectus Supplement may differ from the terms described above, and may not be subject to or contain any or all of the terms described above.

Prior to the exchange of any Subscription Receipts, holders of such Subscription Receipts will not have any of the rights of holders of the Securities for which the Subscription Receipts may be exchanged, including the right to receive payments of dividends or the right to vote such underlying securities.

Convertible Securities

The following description sets forth certain general terms and provisions of the Convertible Securities and is not intended to be complete. The detailed provisions of the Convertible Securities may be set out in an indenture, a copy of which will be filed by the Corporation with Canadian securities regulators after it has been entered into, and will be available electronically on SEDAR at www.sedar.com.

The particular terms and provisions of each issue of Convertible Securities will be described in the applicable prospectus supplement, and the extent to which the general terms and provisions described below may apply to them, will be described in such prospectus supplement. This description will include, as applicable:

- the title or designation of the Convertible Securities;
- the number of Convertible Securities offered;
- the price at which the Convertible Securities will be offered;
- the number of Common Shares or other Securities that may be issued upon the conversion or exchange of the Convertible Securities and the procedures for conversion or exchange;
- the dates or periods during which the Convertible Securities are exercisable and when they expire;
- the designation and terms of any other securities with which the Convertible Securities will be offered, if any, and the number of Convertible Securities that will be offered with each such Security;
- the material income tax consequences of owning, holding and disposing of the Convertible Securities; and

- any other material terms and conditions of the Convertible Securities including, without limitation, transferability and adjustment terms and whether the Convertible Securities will be listed on a stock exchange

Warrants

This section describes the general terms that will apply to any Warrants that may be offered by the Company pursuant to this Prospectus. Warrants may be offered separately or together with other Securities.

The specific terms of the Warrants, and the extent to which the general terms described in this section apply to those Warrants, will be set forth in the applicable Prospectus Supplement. The Warrants may be issued under a warrant indenture. The applicable Prospectus Supplement will include the details of the warrant indenture governing the Warrants being offered.

The particular terms of each issue of Warrants will be described in the related Prospectus Supplement. Such description will include, where applicable:

- the number of Warrants being offered and, if offered as a units with another Security, the number of Warrants or a fraction of a Warrant being offered with such other Security;
- the Securities which are underlying the Warrants;
- the exercise price of the Warrants;
- the expiry date of the Warrants;
- the procedure for exercising Warrants into underlying Securities;
- the indenture trustee of the Warrants under the warrant indenture pursuant to which the Warrants are to be issued, if applicable;
- the material tax consequences of owning the Warrants (if any); and
- any other material terms and conditions of the Warrants.

The terms and provisions of any Warrants offered under a Prospectus Supplement may differ from the terms described above, and may not be subject to or contain any or all of the terms described above.

Prior to the exercise of any Warrants, holders of Warrants will not have any of the rights of holders of the Common Shares purchasable upon such exercise, including the right to receive payments of dividends or the right to vote such underlying securities.

Units

This section describes the general terms that will apply to any Units that may be offered by the Company pursuant to this Prospectus.

The following sets forth certain general terms and provisions of the Units under this Prospectus. The following sets forth certain general terms and provisions of the Units offered pursuant to an

accompanying Prospectus Supplement, and the extent to which the general terms described in this section apply to those Units, will be set forth in the applicable Prospectus Supplement.

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

The particular terms of each issue of Units will be described in the related Prospectus Supplement. Such description will include, where applicable:

- the number of Units offered;
- the price or prices, if any, at which the Units will be issued;
- the currency at which the Units will be offered;
- the Securities comprising the Units;
- whether the Units will be issued with any other Securities and, if so, the amount and terms of these Securities;
- any minimum or maximum subscription amount;
- whether the Units and the Securities comprising the Units are to be issued in registered form, “book-entry only” form, non-certificated inventory system form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- any material risk factors relating to such Units or the Securities comprising the Units;
- any other rights, privileges, restrictions and conditions attaching to the Units or the Securities comprising the Units; and
- any other material terms or conditions of the Units or the Securities comprising the Units, including whether and under what circumstances the Securities comprising the Units may be held or transferred separately.

The terms and provisions of any Units offered under a Prospectus Supplement may differ from the terms described above, and may not be subject to or contain any or all of the terms described above.

PLAN OF DISTRIBUTION

The Company and/or any selling securityholders may from time to time during the 25-month period that this Prospectus, including any amendments hereto, remains valid, offer for sale and issue Common Shares, Debt Securities, Subscription Receipts, Convertible Securities, Warrants, and Units. During such period, the Company may sell up to \$50,000,000 in the aggregate, of initial offering price of Securities (or the equivalent amount if any Securities are denominated in a currency other than Canadian dollars).

The Company and/or any selling securityholders will sell the Securities to or through underwriters or dealers or purchasers directly or through agents. The Securities may be sold from time to time in one or more transactions at a fixed price or prices, which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions that are deemed to be “at-the-market distributions” (as defined in NI 44-102).

A Prospectus Supplement will set forth the terms of the offering, including the name(s) of any underwriters, dealers or agents, the purchase price(s) of the Securities, the proceeds to the Company and/or any selling securityholders from the sale of Securities, any initial public offering price (or the manner of determination thereof if offered on a non-fixed price basis), any underwriting discount or commission and any discounts, concessions or commissions allowed or paid by any underwriter to other dealers. Any initial public offering price and any discounts, concessions or omissions allowed or paid to dealers may be changed from time to time.

Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under certain agreements to be entered into with the Company and/or any selling securityholders to indemnification by the Company and/or any selling securityholders against certain liabilities, including liabilities under securities legislation or to contribution with respect to payments that they may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for the Company and/or any selling securityholders in the ordinary course of business.

Any offering of Debt Securities, Subscription Receipts, Convertible Securities, Warrants or Units will be a new issue of securities with no established trading market. Unless otherwise specified in the applicable Prospectus Supplement, Debt Securities, Subscription Receipts, Convertible Securities, Warrants or Units will not be listed on any securities exchange. Unless otherwise specified in the applicable Prospectus Supplement, there is no market through which the Debt Securities, Subscription Receipts, Convertible Securities, Warrants or Units may be sold and purchasers may not be able to resell Debt Securities, Subscription Receipts, Convertible Securities, Warrants or Units purchased under this Prospectus or any Prospectus Supplement. This may affect the pricing of the Debt Securities, Subscription Receipts, Convertible Securities, Warrants or Units in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. Subject to applicable laws, certain dealers may make a market in these Securities, but will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that any dealer will make a market in these Securities or as to the liquidity of the trading market, if any, for these Securities.

In connection with any offering of Securities other than an “at-the-market distribution”, unless otherwise specified in a Prospectus Supplement, underwriters or agents may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of Securities offered at levels other than those which might otherwise prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time. No underwriter or dealer involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such underwriter or dealer will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

The Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws. Accordingly, the Securities may not be offered, sold or delivered within the United States, and each underwriter or agent for any offering of Securities will agree that it will not offer, sell or deliver the Securities within the United States, except pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder (“**Rule 144A**”) and in compliance with

applicable state securities laws. In addition, until 40 days after the commencement of the offering of Securities, any offer or sale of such Securities within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Securities in the United States or to, or for the account or benefit of, U.S. persons.

EARNINGS COVERAGE RATIO

The applicable Prospectus Supplement will provide, as required by applicable Canadian securities laws, the earnings coverage ratios with respect to the issuance of Securities pursuant to such Prospectus Supplement.

PRIOR SALES

For the 12-month period before the date of this Prospectus, the Company issued the following Common Shares and securities exercisable or convertible into Common Shares:

Date of Issuance	Security	Number of Securities	Issue/Exercise Price Per Security (\$)
March 24, 2020	Common Shares	76,390,672 ⁽¹⁾	\$0.092
April 30, 2020	Common Shares	4,200,000 ⁽²⁾	\$0.12
August 10, 2020	Common Shares	17,646,889 ⁽³⁾	\$0.085
August 10, 2020	Warrants	17,646,889 ⁽³⁾	\$0.085
August 10, 2020	Finder's Warrants	1,272,959 ⁽⁴⁾	\$0.085
August 25, 2020	Stock Options	6,500,000	\$0.125
October 23, 2020	Common Shares	19,740,036 ⁽⁵⁾	\$0.20
December 11, 2020	Common Shares	9,870,018 ⁽⁵⁾	\$0.20
December 17, 2020	Common Shares	558,824 ⁽⁶⁾	\$0.10
December 31, 2020	Common Shares	357,352 ⁽⁶⁾	\$0.10
December 31, 2020	Common Shares	100,000 ⁽⁶⁾	\$0.125
December 31, 2020	Common Shares	150,000 ⁽⁷⁾	\$0.105
January 14, 2021	Common Shares	100,000 ⁽⁶⁾	\$0.10
January 14, 2021	Common Shares	150,000 ⁽⁷⁾	\$0.105
January 14, 2021	Common Shares	100,000 ⁽⁷⁾	\$0.125
January 14, 2021	Common Shares	100,000 ⁽⁷⁾	\$0.135
January 18, 2021	Common Shares	1,436,656 ⁽⁶⁾	\$0.10
January 18, 2021	Common Shares	100,000 ⁽⁷⁾	\$0.135
January 29, 2021	Common Shares	3,884,869 ⁽⁶⁾	\$0.10
February 26, 2021	Common Shares	166,667 ⁽⁷⁾	\$0.105

March 2, 2021	Special Warrants	21,635,094 ⁽⁸⁾	\$0.365
March 2, 2021	Special Broker Warrants	1,441,580 ⁽⁸⁾	N/A

Notes:

- (1) Issued in connection with the acquisition of Venom Extracts.
- (2) Issued in connection with the acquisition of Alphamind.
- (3) Issued pursuant to the Company's \$1,500,000 non-brokered private placement of units
- (4) Issued in connection with the non-brokered private placement of units. Each finder's warrant is exercisable into one unit of the Company for a period of two years from date of issue.
- (5) Issued in connection with the earn-out from Venom Extracts.
- (6) Issued in connection with the exercise of warrants.
- (7) Issued in connection with the exercise of stock options.
- (8) Issued in connection with the Special Warrant Offering.

PRICE RANGE AND TRADING VOLUME

On November 25, 2019, the Common Shares began trading on the CSE under the trading symbol "HOLL". The table below sets forth the reported high and low closing prices and the aggregate volume of trading of the Company's Common Shares on the for each of the months (or, if applicable, partial months) indicated:

Month	CSE Price Range (\$)		Total Volume
	High	Low	
February 2020	0.215	0.09	16,586,824
March 2020	0.115	0.04	13,591,088
April 2020	0.135	0.04	33,527,571
May, 2020	0.16	0.09	22,537,255
June, 2020	0.15	0.09	21,115,337
July, 2020	0.175	0.095	20,350,614
August, 2020	0.18	0.12	10,830,287
September, 2020	0.135	0.085	8,116,464
October, 2020	0.12	0.085	2,903,222
November, 2020	0.14	0.11	4,415,560
December, 2020	0.36	0.12	27,597,109
January, 2021	0.52	0.24	20,836,212
February, 2021	0.53	0.315	10,879,357
March 1 - 9, 2021	0.435	0.30	3,207,742

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax considerations generally applicable to investors described therein of purchasing, holding and disposing of the applicable Securities, including, in the case of an investor who is not a resident of Canada, Canadian non-resident withholding tax considerations.

RISK FACTORS

Prospective investors in a particular offering of the Securities should carefully consider, in addition to information contained in the Prospectus Supplement relating to that offering and the information

incorporated by reference herein, the risks described in the AIF and the Annual MD&A, which are incorporated by reference herein as at the date of the Prospectus Supplement relating to the particular offering of Securities.

No Existing Trading Market (other than for Common Shares)

There is currently no market through which the Securities (other than Common Shares) may be sold and purchasers of such Securities may not be able to resell such Securities purchased under this Prospectus. There can be no assurance that an active trading market will develop for such Securities after an offering or, if developed, that such market will be sustained. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. The public offering prices of the Securities may be determined by negotiation between the Company and underwriters based on several factors and may bear no relationship to the prices at which the Securities will trade in the public market subsequent to such offering. See “Plan of Distribution”.

Future Sales May Affect the Market Price of the Company Shares.

In order to finance future operations, the Company may determine to raise funds through the issuance of additional Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. The Company cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares or the dilutive effect, if any, that future issuances and sales of the Company’s securities will have on the market price of the Common Shares. These sales may have an adverse impact on the market price of the Common Shares

Management will have substantial discretion concerning the use of proceeds.

Management of the Company will have substantial discretion concerning the use of proceeds of an offering under any Prospectus Supplement as well as the timing of the expenditure of the proceeds thereof. As a result, investors will be relying on the judgment of management as to the specific application of the proceeds of any offering of Securities under any Prospectus Supplement. Management may use the net proceeds of any offering of Securities under any Prospectus Supplement in ways that an investor may not consider desirable. The results and effectiveness of the application of the net proceeds are uncertain.

Ongoing Impact of COVID-19

Since December 31, 2019, governments worldwide has been enacting emergency measures to combat the spread of COVID-19. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The development and operation of the Company’s business plan is dependent on labour inputs and governmental approvals, which could be adversely disrupted by the ongoing impact of COVID-19. While it is difficult to predict the impact of the coronavirus outbreak on the Company’s business, measures taken by the Canadian government and voluntary measures undertaken by the Company with a view to the safety of the Company’s employees, may adversely impact the Company’s business. While the pandemic has not affected the Company’s sales, as the Company is yet to generate revenue, its continued disruption may delay the Company’s operations. The ultimate extent of the impact of the pandemic on the Company’s business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the pandemic and actions taken to contain or prevent their further spread, among others. Thus, the current

pandemic could therefore materially and adversely affect the Company's business, financial condition and results of operations.

PROMOTERS

Carl Saling may be considered to be a Promoter of Hollister for the purposes of applicable securities laws, as he has taken the initiative in reorganizing and financing Hollister. Mr. Saling owns 29,481,200 (12.18%) Common Shares and 3,000,000 options.

To the Company's knowledge, no promoter of the Company is, as at the date of this Prospectus, or was within 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any person or corporation, including the Company, that:

(a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "order") that was issued while the promoter was acting in the capacity of a director, the chief executive officer, or the chief financial officer thereof; or

(b) was subject to an order that was issued after the promoter ceased to be a director, the chief executive officer, or the chief financial officer thereof and which resulted from an event that occurred while that person was acting in such capacity.

To the Company's knowledge, no promoter of the Company:

(a) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any person or company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, 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; or

(b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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, executive officer, or shareholder.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than disclosed in this Prospectus, there are no material interest, direct or indirect, of the directors or officers of the Company, any shareholder that beneficially owns more than 10% of the Common Shares or any associate or affiliate of any the foregoing persons in any transaction within the last three years or any proposed transaction that has materially affected or would materially affect the Company or any of its subsidiaries.

LEGAL MATTERS

Certain legal matters relating to an offering of the Securities will be passed upon by McMillan LLP, on behalf of the Company.

INTEREST OF EXPERTS

Name of Experts

The following are the persons or companies who were named as having prepared or certified a statement, report or valuation in this Prospectus either directly or in a document incorporated by reference and whose profession or business gives authority to the statement, report or valuation made by the person or company:

- Davidson & Company LLP, the Company's and Labtronix' independent auditors, prepared
 - 1) an independent audit report dated July 13, 2020 in respect of the Company's audited consolidated financial statements for the years ended December 31, 2019 and 2018, and
 - 2) an independent audit report dated July 22, 2020 in respect of Labtronix' audited financial statements for the years ended December 31, 2019 and 2018;
- McMillan LLP, the Company's legal counsel.

Interests of Experts

Davidson & Company LLP has confirmed that they are independent of each of the Company and Labtronix within the meaning of the 'Rules of Professional Conduct' of the Chartered Professional Accountants of British Columbia.

As at the date hereof, the "designated professionals" (as such term is defined in Form 51-102F2 – *Annual Information Form*) of McMillan LLP beneficially own, directly or indirectly, less than one percent of the outstanding Common Shares and holds no other securities of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Davidson & Company, Chartered Professional Accountants, Vancouver, British Columbia.

The Company's Registrar and Transfer Agent is Olympia Trust Company, located in Vancouver, British Columbia.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision or the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

In an offering of convertible, exchangeable or exercisable Securities, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the convertible, exchangeable or exercisable Securities is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal advisor.

Purchaser's rights and remedies under applicable securities legislation against the dealer underwriting or acting as an agent for the Company in an "at-the-market" distribution will not be affected by that dealer's decision to effect the distribution directly or through a selling agent.

CONTRACTUAL RIGHTS OF RESCISSION

In addition to statutory rights of withdrawal and rescission, original purchasers of Warrants (if offered separately from other Securities), Convertible Securities and Subscription Receipts will have a contractual right of rescission against the Company in respect of the exercise of such Warrant, Convertible Securities or Subscription Receipt, as the case may be.

The contractual right of rescission will entitle such original purchasers to receive, in addition to the amount paid on original purchase of the Warrant, Convertible Securities or Subscription Receipt (or Units comprised partly thereof), as the case may be, the amount paid upon conversion, exchange or exercise upon surrender of the underlying securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the Warrant, Convertible Securities or Subscription Receipt under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the Warrant, Convertible Securities or Subscription Receipt under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under Section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under Section 131 of the *Securities Act* (British Columbia) or otherwise at law.

Original purchasers are further advised that in certain provinces the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the security that was purchased under a prospectus, and therefore a further payment at the time of exercise may not be recoverable in a statutory action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights, or consult with a legal advisor.

CERTIFICATE OF THE COMPANY

Dated: March 10, 2021

This short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the Provinces of Canada, other than Quebec.

“Carl Saling”

Carl Saling, Chief Executive Officer

“Geoffrey Balderson”

Geoffrey Balderson, Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

“Anthony Zelen”

Anthony Zelen, Director

“Patrick Morris”

Patrick Morris, Director

CERTIFICATE OF THE PROMOTER

Dated: March 10, 2021

This short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the Provinces of Canada, other than Quebec.

“Carl Saling”

Carl Saling, Promoter