

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the Provinces of British Columbia, Alberta, Ontario and Nova Scotia, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

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

The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States of America (the "United States" or the "U.S.") unless exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation or an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".

This document has not been, and will not be, lodged, with the Australian Securities and Investments Commission (ASIC). In Australia this document may not be distributed to any person, and the securities offered under this short form prospectus may not be offered or sold other than to (i) a "Sophisticated Investor" within the meaning of section 708(8) of the Corporations Act 2001 (Cth) (the "Act"); or (ii) a "Professional Investor" within the meaning of section 708(11) of the Act; or (iii) another person in respect of whom disclosure is not required under Parts 6D.2 and 7.9 of the Act. There are on-sale provisions in Australia that may be applicable to investors who acquire securities. As such, investors are advised to familiarize themselves with the on sale provisions in the Act and comply accordingly.

Information has been incorporated by reference in this short form 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 Heritage Cannabis Holdings Corp. at 929 Mainland Street, Vancouver, BC V6B 1S3, Telephone: 1-(604) 628-1767 and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

April 16, 2019



HERITAGE CANNABIS HOLDINGS CORP.

\$15,052,000
28,400,000 Units
\$0.53 per Unit

This short form prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") of 28,400,000 units (the "**Units**") of Heritage Cannabis Holdings Corp. (the "**Company**") at a price of \$0.53 per Unit (the "**Offering Price**"). Each Unit consists of one common share in the capital of the Company (a "**Unit Share**") and one-half of one common share purchase warrant of the Company (each whole common share purchase warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof, subject to adjustment in accordance with the Warrant Indenture (as defined below) to acquire one common share of the Company (a "**Warrant Share**") at an exercise price of \$0.70 until the date that is the earlier of: (i) 30 months following the Closing Date (as defined below); and (ii) not less than 21 days following the date a Warrant acceleration notice is provided to the holders of Warrants, as provided for in the Warrant Indenture (as defined below). The Warrants will be governed by a warrant indenture to be entered into on or before the Closing Date between Computershare Trust Company of Canada (the "**Warrant Agent**") and the Company (the "**Warrant**

Indenture"). See "Description of Securities Being Distributed".

The Offering is being made pursuant to the terms of an underwriting agreement (the "**Underwriting Agreement**") dated April 16, 2019 between the Company and Cormark Securities Inc. (the "**Lead Underwriter**"), PI Financial Corp., Canaccord Genuity Corp. and Desjardins Securities Inc. (together with the Lead Underwriter, the "**Underwriters**"). The Offering Price and the other terms of the Offering were determined by arm's length negotiation between the Company and the Lead Underwriter on behalf of the Underwriters. See "Plan of Distribution".

The Company's common shares (each, a "**Common Share**") are currently traded on the Canadian Securities Exchange (the "**CSE**") under the symbol "CANN" and on the OTCMK under the symbol "HERTF". On April 9, 2019, the last trading day prior to the announcement of the Offering, the closing price of the Common Shares on the CSE was \$0.59. On April 15, 2019, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the CSE was \$0.58. The Company will provide notice to the CSE to list the Unit Shares, the Warrants, the Warrant Shares and the Warrants and Common Shares issuable on exercise of the Broker Warrants (as defined below) (the "**Broker Warrant Shares**") on the CSE. Listing will be subject to the Company fulfilling all of the requirements of the CSE.

	<u>Price to the Public</u>	<u>Underwriters' Fee⁽¹⁾</u>	<u>Net Proceeds to the Company⁽²⁾</u>
Per Unit.....	\$0.53	\$0.0371	\$0.4929
Total.....	\$15,052,000	\$1,053,640	\$13,998,360

- (1) Pursuant to the Underwriting Agreement, the Company has agreed to pay to the Underwriters a cash fee equal to 7.0% of the gross proceeds of the Offering, including any gross proceeds raised on exercise of the Over-Allotment Option (as defined below) (the "**Underwriters' Fee**"). As additional compensation, the Company has agreed to issue to the Underwriters non-transferable broker warrants to purchase such number of Units as is equal to 7.0% of the aggregate number of Units sold under the Offering (including any Over-Allotment Units (as defined below)) (the "**Broker Warrants**"). Each Broker Warrant entitles the holder thereof to purchase one Unit (each, a "**Broker Warrant Unit**") at an exercise price equal to the Offering Price for a period of three years after the Closing Date. The Broker Warrant Units will have the same terms as the Units. This Prospectus also qualifies the distribution of the Broker Warrants to the Underwriters. See "Plan of Distribution".
- (2) After deducting the Underwriters' Fee, but before deducting the expenses of the Offering, estimated to be approximately \$250,000, which will be paid from the gross proceeds of the Offering.

The Underwriters have been granted an over-allotment option, exercisable, in whole or in part, at the sole discretion of the Underwriters, for a period of 30 days from and including the Closing Date (the "**Over-Allotment Deadline**"), to purchase up to an additional 4,260,000 Units (the "**Over-Allotment Units**") at the Offering Price to cover the Underwriters' over-allocation position, if any, and for market stabilization purposes (the "**Over-Allotment Option**"). The Over-Allotment Option may be exercised to acquire (i) up to an additional 4,260,000 Over-Allotment Units at the Offering Price, (ii) up to 4,260,000 additional Unit Shares (the "**Over-Allotment Shares**"), (iii) up to 2,130,000 additional Warrants (the "**Over-Allotment Warrants**"), or (iv) any combination of Over-Allotment Units at the Offering Price, Over- Allotment Shares and Over-Allotment Warrants, provided that the aggregate number of Over-Allotment Shares which may be issued under the Over-Allotment Option does not exceed 4,260,000 and the aggregate number of Over-Allotment Warrants which may be issued under the Over-Allotment Option does not exceed 2,130,000. The Over-Allotment Warrants will have the same terms as the Warrants. The Over-Allotment Option is exercisable by the Lead Underwriter, on behalf of the Underwriters, giving notice to the Company prior to the Over-Allotment Deadline, which notice shall specify the number of Over-Allotment Units, Over-Allotment Shares and/or Over-Allotment Warrants to be purchased. If the Over-Allotment Option is exercised in full, the total "Price to the Public", "Underwriters' Fee" and "Net Proceeds to the Company", before deducting the expenses of the Offering, will be \$17,309,800, \$1,211,686 and \$16,098,114, respectively. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Units, Over-Allotment Shares or Over-Allotment Warrants forming part of the Underwriters' over-allocation position acquires those Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

The following table sets out the maximum number of options and other compensation securities that have been issued or that may be issued by the Company to the Underwriters pursuant to the Offering:

Underwriters' Position	Maximum number of securities available	Exercise period	Exercise price
Over-Allotment Option	4,260,000 Over-Allotment Units	For a period of 30 days from and including the Closing Date	\$0.53 per Over-Allotment Unit \$0.52 per Over-Allotment Share \$0.01 per one-half of one Over-Allotment Warrant
Broker Warrants	2,286,200 Broker Warrants ⁽¹⁾	For a period of 36 months from and including the Closing Date	\$0.53 per Broker Warrant Unit

(1) Assumes the exercise of the Over-Allotment Option in full.

Unless the context otherwise requires, when used herein, all references to "Units" include the Over-Allotment Units issuable upon exercise of the Over-Allotment Option, all references to "Unit Shares" include the Over-Allotment Shares issuable upon exercise of the Over-Allotment Option, all references to "Warrants" include the Over-Allotment Warrants issuable upon exercise of the Over-Allotment Option, all references to "Warrant Shares" include the Common Shares issuable upon exercise of the Over-Allotment Warrants, all references to "Broker Warrants" include the Broker Warrants issuable upon exercise of the Over-Allotment Option, all references to "Broker Warrant Units" include the Broker Warrant Units issuable upon exercise of the Broker Warrants issued in connection with the exercise of the Over-Allotment Option, all references to "Broker Unit Shares" include the Broker Unit Shares forming part of the Broker Warrant Units issuable upon exercise of the Broker Warrants issued in connection with the exercise of the Over-Allotment Option and all references to "Broker Warrant Shares" include the Broker Warrant Shares issuable upon exercise of the Warrants forming part of the Broker Warrant Units issued in connection with the exercise of the Over-Allotment Option.

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the Company and delivered to and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Company by Owens Wright LLP and on behalf of the Underwriters by Dentons Canada LLP. In connection with the Offering, and subject to applicable laws, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. The Underwriters may offer the Units at a lower price than stated above. See "Plan of Distribution".

Subscriptions will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about May 2, 2019, or such other date as may be agreed upon by the Company and the Lead Underwriter, but in any event not later than 42 days after the date of the receipt of the (final) short form prospectus (the "**Closing Date**").

It is anticipated that the Units will be delivered under the book-based system through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and deposited in electronic form. A purchaser of the Units will receive only a customer confirmation from the registered dealer from or through which such Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold such Units on behalf of owners who have purchased such Units in accordance with the book-based system. No certificates will be issued unless specifically requested or required. See "Plan of Distribution".

Investing in the Units is speculative and involves significant risks. You should carefully review and evaluate certain risk factors contained in this Prospectus and in the documents incorporated by reference herein before

purchasing the Units. See "Cautionary Statement Regarding Forward-Looking Information" and "Risk Factors". Potential investors are advised to consult their own legal counsel and other professional advisers in order to assess income tax, legal and other aspects of this investment.

You should rely only on the information contained in this Prospectus (including the documents incorporated by reference herein). Neither the Company nor the Underwriters have authorized anyone to provide you with information different from that contained in this Prospectus. Neither the Company nor any Underwriter is making an offer to sell or seeking offers to buy the Units in any jurisdiction where the offer or sale of Units is not permitted. You should not assume that the information contained or incorporated by reference in this Prospectus is accurate as of any date other than the date on the front page of this Prospectus or the respective dates of the documents incorporated by reference herein. The Company's business, financial condition, results of operations and prospects may have changed since that date. The Company does not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws.

Unless otherwise indicated, all references to dollar amounts in this Prospectus are to Canadian dollars.

The Company's head office is located at 929 Mainland Street, Vancouver, BC V6B 1S3. The Company's registered office is located at Suite 1500 – 1055 West Georgia St., Vancouver, BC V6E 4N7.

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DEFINITIONS

Unless otherwise noted or the context indicates otherwise, the "Company", "Heritage", "we", "us" and "our" refer to Heritage Cannabis Holdings Corp. and its subsidiaries, and the terms "cannabis", "CBD", "client", "licence" and "THC" have the meanings given to such terms in the *Cannabis Act* (Canada) (the "**Cannabis Act**") and the regulations made under the Cannabis Act (the "**Cannabis Regulations**").

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking statements that relate to the Company's current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the use of the net proceeds of the Offering and the use of the available funds following completion of the Offering;
- the Company's expectations regarding its revenue, expenses and research and development operations;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's intention to grow the business and its operations;
- expectations with respect to future production costs, capacity and yield;
- expectations regarding our growth rates, growth plans and strategies;
- expectations with respect to the approval and/or amendment of the Company's licences;
- expectations with respect to the future growth of its medical and recreational cannabis products;
- the medical benefits, safety, efficacy, dosing and social acceptance of cannabis;
- the Company's competitive position and the regulatory environment in which the Company operates;
- the Company's expected business objectives for the next twelve months;
- the Company's plans with respect to the payment of dividends;
- the Company's ability to obtain additional funds through the sale of equity or debt commitments;
- the future growth of the cannabis industry;
- the ability of the Company's products to access consumer markets;
- the Company's ability to expand into international markets;
- the Company's relationship with its distribution partners;
- cannabis (CBD and THC) oil processing efficiency and sales;
- the impact of scientific findings regarding long-term impacts of cannabis use or ability to cure medical issues;
- the ability of the Company to access sufficient power for generation of greenhouses;
- the efficiency of mechanical processing for hemp; and
- the variability of hemp farming.

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) that the Company's current good relationships with its suppliers, service providers and other third parties will be maintained. 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. Given these risks, uncertainties and assumptions, investors should not place undue reliance on 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", which include, but are not limited to:

- the Company has discretion in the use of net proceeds;
- negative cash flow from operations;
- holders of Common Shares will be diluted;
- there is currently no market for the Warrants;
- holders of Warrants have no rights as shareholders;
- construction risks; and
- licensing risks related to expansion of operations.

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" should be considered carefully by prospective purchasers.

Certain of the forward-looking statements and forward-looking information and other information contained herein concerning the cannabis industry and the general expectations of the Company concerning the cannabis industry and concerning the Company are based on estimates prepared by the Company using data from publicly available governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the cannabis industry involves risks and uncertainties that are subject to change based on various factors and the Company has not independently verified such third-party information.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Prospectus (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such 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. We do not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Purchasers should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment.

FINANCIAL INFORMATION

The financial statements of the Company incorporated by reference in this Prospectus have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and are reported in Canadian dollars.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this Prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunities and market share, is based on information from independent industry organizations, other third-party sources (including industry publications, surveys and forecasts) and management studies and estimates.

Unless otherwise indicated, our estimates are derived from publicly available information released by independent industry analysts and third-party sources as well as data from our internal research, and include assumptions made by us which we believe to be reasonable based on our knowledge of our industry and markets. Our internal research and assumptions have not been verified by any independent source, and we have not independently verified any third-

party information. While we believe 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 our future performance and the future performance of the industry and markets in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the heading "Cautionary Statement Regarding Forward-Looking Information" and "Risk Factors".

TRADEMARKS AND TRADE NAMES

This Prospectus includes, or may include, trademarks and trade names that are protected under applicable intellectual property laws and are the property of the Company. Solely for convenience, our trade-marks and trade names referred to in this Prospectus may appear without the ® symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks, and trade names.

ELIGIBILITY FOR INVESTMENT

In the opinion of Owens Wright LLP, counsel to the Company, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") as of the date hereof, the Unit Shares, Warrants and Warrant Shares, if issued on the date hereof, would be "qualified investments" under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), deferred profit sharing plan, registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**") and tax-free savings account ("**TFSA**") (collectively, "**Deferred Plans**") provided that: (i) the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the CSE); and (ii) in the case of the Warrants, neither the Company, nor any person with whom the Company does not deal at arm's length, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of the particular Deferred Plan.

Notwithstanding that the Unit Shares, Warrants and Warrant Shares may be a "qualified investment" for a Deferred Plan, the annuitant under an RRSP or RRIF, the holder of a TFSA or RDSP, or the subscriber of an RESP will be subject to a penalty tax if such Unit Shares, Warrants and Warrant Shares are a "prohibited investment" (as defined in the Tax Act) for the RRSP, RRIF, RESP, RDSP or TFSA. The Unit Shares, Warrants and Warrant Shares will generally not be a "prohibited investment" for a particular RRSP, RRIF, RESP, RDSP or TFSA provided that the annuitant under the RRSP or RRIF, the holder of the TFSA or RDSP, or the subscriber of the RESP, as the case may be, deals at arm's length with the Company for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Company. In addition, the Unit Shares and Warrant Shares will not be a prohibited investment if such securities are "excluded property" (as defined in the Tax Act for purposes of these rules) for the particular TFSA, RRSP, RESP, RDSP or RRIF.

Persons who intend to hold Unit Shares, Warrants and Warrant Shares in a trust governed by a Deferred Plan should consult their own tax advisors with respect to the application of these rules in their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commission or similar regulatory authority in certain Provinces of Canada are available at www.sedar.com and are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- the annual information form of the Company for the financial year ended October 31, 2018 dated April 16, 2019 (the "**Annual Information Form**");
- the audited consolidated financial statements of the Company, and the notes thereto, for the fiscal years ended October 31, 2018 and 2017, together with the auditors' report thereon;
- the management's discussion and analysis of the Company for the fiscal year ended October 31, 2018;
- the unaudited condensed interim consolidated financial statements of the Company for the three months

ended January 31, 2019;

- the management's discussion and analysis of the Company for the three months ended January 31, 2019;
- the management information circular of the Company dated June 25, 2018 prepared in connection with the Company's annual meeting of shareholders held on August 10, 2018;
- the business acquisition report dated January 25, 2018 regarding the acquisition by the Company of Voyage Cannabis Corp. ("**Voyage**") (formerly, PhyeinMed Inc. ("**PhyeinMed**"));
- the business acquisition report dated December 5, 2018 regarding the acquisition by the Company of CannaCure Corporation ("**CannaCure**");
- the material change report dated November 5, 2018 regarding the completion of acquisition of CannaCure;
- the material change report dated November 19, 2018 regarding the closing of the special warrant financing of the Company completed on November 7, 2018 (the "**Special Warrant Financing**");
- the material change report dated December 17, 2018 regarding the completion of the acquisition of Purefarma Solutions Inc. ("**Purefarma**");
- the template version of the term sheet for the Offering dated April 10, 2019;
- the amended and restated template version of the term sheet for the Offering dated April 11, 2019; and
- the material change report dated April 15, 2019 announcing the Offering and the upsizing of the Offering.

Material change reports (other than confidential reports), business acquisition reports, annual financial statements, interim financial statements, the associated management's discussion and analysis and all other documents of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and before completion of the distribution of the Units, will be deemed to be incorporated by reference into this Prospectus. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Company and readers should review all information contained in this Prospectus and the documents incorporated or deemed to be incorporated by reference herein.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained in this **Prospectus or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the statement or document that it modifies or supersedes. The making of such 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.**

Copies of the documents incorporated herein by reference may also be obtained on request without charge from the Corporate Secretary of the Company at 929 Mainland Street, Vancouver, BC V6B 1S3 Telephone: 1-(604) 628-1767.

MARKETING MATERIALS

Any "template version" of any "marketing materials" (as such terms are defined under applicable Canadian securities laws) used by the Underwriters in connection with the Offering does not form a part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus. Any template version of any marketing materials that has been, or will be, filed under the Company's profile on SEDAR at www.sedar.com before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated by reference into this Prospectus.

THE COMPANY

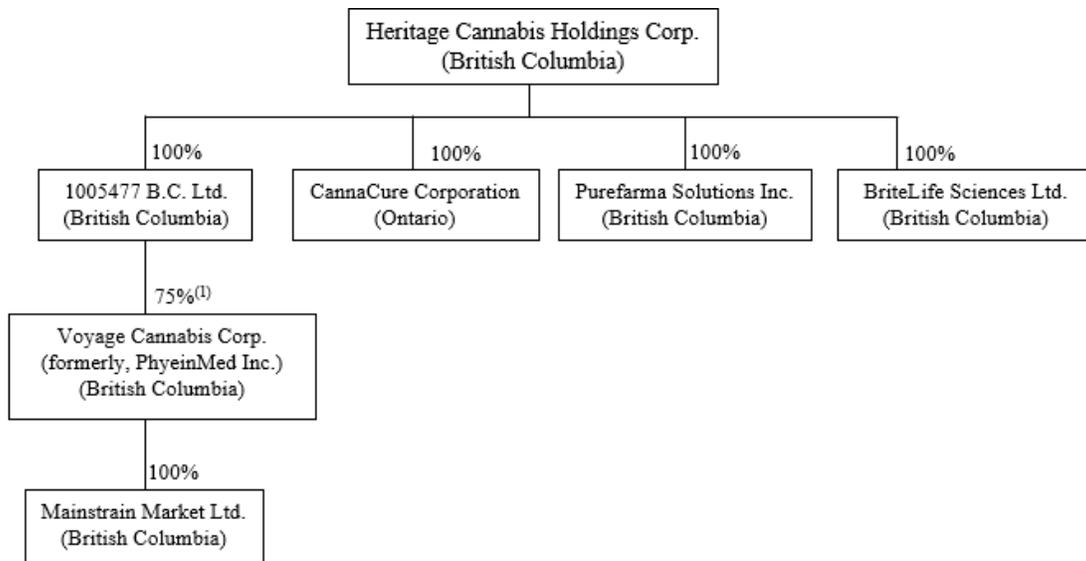
The Company was incorporated under the laws of the Province of British Columbia on October 25, 2007 as "Trijet Mining Corp." Effective March 8, 2013, the Company changed its name to "Umbral Energy Corp.". Upon completion of a fundamental "change of business" pursuant to policies of the CSE on January 10, 2018, the Company changed its name to its present name, "Heritage Cannabis Holdings Corp."

The Company's head office is located at 929 Mainland Street, Vancouver, BC V6B 1S3 and its registered and records office is located at Suite 1500 – 1055 West Georgia St., Vancouver, BC V6E 4N7.

The Common Shares are listed on the CSE under the trading symbol "CANN" and on the OTC PK under the symbol "HERTF". The Company is a reporting issuer in Canada in the provinces of British Columbia, Alberta, Ontario and Nova Scotia.

Intercorporate Relationships

The Company's subsidiaries are as follows:



(1) Refers to the percent ownership of Voyage's issued and outstanding voting shares.

CannaCure Corporation (prior to the Amalgamation (as defined below)) ("**Old CannaCure**") was incorporated on December 12, 2013 under the *Business Corporations Act* (Ontario). Old CannaCure amalgamated with 2659938 Ontario Limited on November 5, 2018 (the "**Amalgamation**") to form CannaCure. The principal address of CannaCure is 333 Jarvis Street, Fort Erie ON L2A 2S9. The Company owns 100% of the issued and outstanding shares of CannaCure.

Voyage was incorporated on July 4, 2014 as PhyeinMed Inc. under the *Business Corporations Act* (British Columbia) (the "**BC Act**"). On March 12, 2019, PhyeinMed Inc. changed its name to "Voyage Cannabis Corp.". The principal address of Voyage is 929 Mainland Street, Vancouver, BC V6C 2B3 and the registered and records office of Voyage is Suite 301, 1665 Ellis Street, Kelowna, BC V1Y 2B3. The Company indirectly owns 75% of the issued and outstanding voting shares of Voyage.

Mainstrain Market Ltd. was incorporated on March 8, 2018 under the BC Act. Its principal address is 929 Mainland Street, Vancouver, BC V6C 2B3. Voyage owns 100% of the issued and outstanding shares of Mainstrain Market Ltd.

1005477 B.C. Ltd. was incorporated on June 16, 2014 under the BC Act. Its principal address is 929 Mainland Street, Vancouver, BC V6C 2B3. The Company owns 100% of the common shares of 1005477 B.C. Ltd., which holds 75% of the issued and outstanding voting shares of Voyage.

Purefarma was incorporated on March 3, 2016 under the BC Act. The principal address of Purefarma is 1055 West Georgia Street, 1500 Royal Centre, P.O. Box 11117, Vancouver, BC V6E 4N7. The Company owns 100% of the issued and outstanding shares of Purefarma.

BriteLife Sciences Ltd. ("**BriteLife**") was incorporated on December 18, 2018 as 1190683 B.C. Ltd. under the BC Act. On February 27, 2019, 1190683 B.C. Ltd. changed its name to "BriteLife Sciences Ltd.". The principal address of BriteLife is 929 Mainland Street, Vancouver, BC V6C 2B3. The Company owns 100% of the common shares of BriteLife.

The Company's Licences

The following sets out the Company's licences as at the date of this Prospectus, the allowable activities under each licence and status:

- Licence (the "**CannaCure Licence**") dated effective as of March 29, 2019 issued by Health Canada to CannaCure, which expires on October 12, 2021. The CannaCure Licence allows CannaCure, at the facility in Fort Erie, Ontario (the "**Fort Erie Facility**") to possess cannabis, to obtain dried cannabis, fresh cannabis, cannabis plants or cannabis plant seeds by cultivating, propagating and harvesting cannabis, and to sell cannabis in accordance with Subsection 11(5) of the Cannabis Regulations. The CannaCure Licence also includes Standard Processing and Medical Sales authorizations. The Standard Processing Licence allows CannaCure to utilize its extraction machines for oil production for the purpose of sales in accordance with Subsection 17(5) of the Cannabis Regulations. The Medical Sales Licence allows CannaCure, in accordance with Section 27 of the Cannabis Regulations, to sell directly to patients who have medical documentation to use cannabis for medical purposes. The CannaCure Licence currently covers approximately 24,000 square feet of the existing approximately 122,000 square foot Fort Erie Facility, including all existing cannabis operations. The expansion of cannabis activities at the Fort Erie Facility will require the filing of an amendment to the CannaCure Licence, with such amendment being subject to Health Canada approval; and
- Licence (the "**Voyage Licence**") dated effective as of April 5, 2019, issued by Health Canada to Voyage (formerly, PhyeinMed) which expires on July 20, 2021. The Voyage Licence allows Voyage, at the Company's facility in Falkland, British Columbia (the "**Falkland Facility**"), to possess cannabis, to obtain dried cannabis, fresh cannabis, cannabis plants or cannabis plant seeds by cultivating, propagating and harvesting cannabis, and to sell cannabis in accordance with Subsection 11(5) of the Cannabis Regulations. The Voyage Licence also includes Standard Processing and Medical Sales authorizations. The Standard Processing Licence enables Voyage to commence operation of its two Vitalis Q90 extraction systems that were installed in the Falkland Facility and to sell cannabis in accordance with Subsection 17(5) of the Cannabis Regulations. The Medical Sales Licence allows Voyage, in accordance with Section 27 of the Cannabis Regulations, to sell directly to patients who have medical documentation to use cannabis for medical purposes. The Voyage Licence currently covers approximately 8,500 square feet of the existing approximately 15,500 square foot Falkland Facility, including all existing cannabis operations. The expansion of cannabis activities at the Falkland Facility will require an amendment to the Voyage Licence, with such amendment being subject to Health Canada approval.

Fort Erie Facility

The Company through its subsidiary, CannaCure, holds an option to purchase the Fort Erie Facility (the "**Fort Erie Option**"). The Fort Erie Option has a term of three years from the date on which the Fort Erie Option was amended and restated on July 19, 2018, and allows CannaCure to purchase the Fort Erie Facility for a purchase price of \$2,200,000, plus applicable taxes. To date this option is in good standing.

The Fort Erie Facility is located in the Niagara region in Ontario and covers over 122,000 square feet of flexible space for extraction, manufacture and distribution of cannabis products. This building was formerly a "Good Manufacturing Practice"-certified pharmaceutical facility and provides the Company with optionality and scalability to adapt to the evolving cannabis industry. Phase 1 was completed in August 2018 and was paid for by CannaCure. It consists of an approximately 24,260 square foot area, which includes a level 10 vault, office space, cultivation and processing rooms. The Company is currently and will continue to evaluate final expansion plans and budgets for the remaining 97,740 square feet in conjunction with its evaluation of strategic partnerships in Q2-Q3 2019. See "Use of Proceeds".

Leamington, Ontario Facility

Through its subsidiary, CannaCure, the Company holds an option to purchase a 118-acre greenhouse in a Leamington, Ontario facility (the "**Leamington Facility**"), currently in vegetable production, for \$66,000,000, which expires on August 30, 2019. If the Company decides to exercise the purchase option, the Company would intend to retrofit the significant 3,485,000 square foot state-of-the-art automated hydroponic greenhouse that includes 211,000 square feet of supportive infrastructure to cannabis production in separate phases to ensure success in each phase. The size of the Leamington Facility would significantly increase the Company's cannabis cultivation area. The Company is presently analyzing the budget and financing options for the purchase and retrofit. If the Company exercises its option to purchase the Leamington Facility it will seek to obtain a cultivation licence as required by Health Canada for the production of cannabis. To date this option is in good standing. In the event the Company decides to exercise the option, it will need to seek additional financing. Once the Company has determined a budget for the retrofitting, the Company will consider various potential sources of financing, including debt, equity, partnerships or vendor financing, but has not yet made any decisions in respect of this matter.

Falkland Facility

The Falkland Facility is located in Falkland, British Columbia, which is located in the Okanagan-Shuswap area. The Falkland Facility is located on 13 acres of land and once fully-constructed is expected to be a 15,500 square foot processing facility with four greenhouses that are nearing completion. The Company expects to initiate cultivation operations in Q3 2019. The Company has spent approximately \$1,500,000 to date on construction of the four greenhouses at the Falkland Facility, including related equipment. The Company intends to add additional greenhouses by Q4 2019 that will expand that Company's cultivation space at a projected cost ranging from \$1,000,000 to \$2,000,000, part of which will be funded from cash on hand and the proceeds from the Offering. See "Use of Proceeds".

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the dates indicated, adjusted to give effect to the Offering, on the share and loan capital of the Company since January 31, 2019, the date of the Company's most recently filed financial statements. This table should be read in conjunction with the consolidated financial statements of the Company and the related notes and management's discussion and analysis in respect of those statements that are incorporated by reference in this Prospectus.

	As at January 31, 2019 before giving effect to the Offering	As at January 31, 2019 after giving effect to the Offering	As at January 31, 2019 after giving effect to the Offering and the exercise of the Over-Allotment Option
Share Capital (Common Shares - Authorized: unlimited)	\$59,707,984 375,915,484 Common Shares	\$73,456,344 404,315,484 Common Shares	\$75,556,098 408,575,484 Common Shares
Warrants	1,918,307	16,118,307	18,248,307
Broker Warrants	-	1,988,000	2,286,200
Special Warrants	30,000,000	30,000,000	30,000,000
Agents' Special Warrants	1,551,300	1,551,300	1,551,300
Stock Options	12,180,003	12,180,003	12,180,003
Deficit	(\$16,279,580)	(\$16,279,580)	(\$16,279,580)
Equity Reserves	\$11,882,155	\$11,882,155	\$11,882,155
Total Shareholder's Equity	\$56,310,992	\$70,059,352	\$72,159,106

There have been no material changes to the Company's share and loan capitalization on a consolidated basis since January 31, 2019 other than the following:

- (a) During the period from February 1, 2019 to the date of this Prospectus, the Company issued 33,000,000 Common Shares and 33,000,000 warrants on the exercise of 30,000,000 special warrants at no additional cost to the holders thereof;
- (b) During the period from February 1, 2019 to the date of this Prospectus, the Company issued 3,349,644 Common Shares on the exercise of 3,349,644 stock options at exercise prices ranging from \$0.0981 per Common Share to \$0.35 per Common Share;
- (c) On February 8, 2019, the Company issued 5,500,000 stock options exercisable at \$0.34 per Common Share, expiring on February 8, 2024;
- (d) During the period from February 1, 2019 to the date of this Prospectus, the Company issued 17,334,547 Common Shares on the exercise of 17,334,547 warrants at an average exercise price of \$0.322 per Common Share; and
- (e) During the period from February 1, 2019 to the date of this Prospectus, the Company issued 2,482,080 Common Shares on the exercise of 1,241,040 agents' warrants at an exercise price of \$0.25, and the exercise of 1,241,040 warrants issued in connection with the exercise of the agents' warrants at an exercise price of \$0.35.

USE OF PROCEEDS

Use of Proceeds

The net proceeds to the Company from the Offering are expected to be \$13,998,360 after deducting the Underwriters' Fee, but before deducting the expenses of the Offering (estimated to be approximately \$250,000). If the Over-Allotment Option is exercised in full, the net proceeds to the Company from the Offering are expected to be \$16,098,114 after deducting the Underwriters' Fee, but before deducting the expenses of the Offering (estimated to be approximately \$250,000). The Company intends to use the net proceeds from the Offering as set out in the table below:

Expansion of Medical Services Division	\$3,000,000
Phase 2 and 3 improvements and product expansion	\$3,000,000
Expansion of cultivation capacity at Falkland Facility	\$750,000
Purchase of Fort Erie Facility	\$2,266,000
Purchase of biomass for Fort Erie Facility and Falkland Facility	\$1,000,000
Extraction-related equipment	\$1,200,000
General and Administrative Expenses	\$2,000,000
Working Capital	\$782,360
Total	\$13,998,360

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 or unforeseen events. There can be no assurances that the above objectives will be completed. See "Risk Factors – The Company has discretion in the use of net proceeds".

Pending the use of proceeds outlined above, the Company intends to invest the net proceeds of the Offering in investment grade, short-term, interest bearing securities with preservation of capital and short-term liquidity being important investment parameters. The Chief Financial Officer of the Company is responsible for executing the Company's investment policies.

The Company had negative cash flow from operating activities for the period ended January 31, 2019. The Company may use proceeds from the distribution under this Prospectus to fund negative cash flows until sufficient revenue is generated. See "Risk Factors – Negative Cash Flow from Operations".

Business Objectives and Milestones

The primary business objectives for the Company over the next 12 months that the Company expects to accomplish using the net proceeds of the Offering and from cash on hand are:

Business Objective	Time Frame	Cost
Select partners for various finished goods (edibles and infusion products)	Q2-Q3 2019	\$150,000
Build out of medical subsidiary to facilitate development of the Company's Natural Health Products containing the CBD product the Company produces from cannabis oil extraction	Q4 2019 – Q1 2020	\$3,000,000
Complete the construction of Phase 2 and Phase 3 of the CannaCure facility buildout	Q4 2019 – Q1 2020	\$3,000,000
International partnerships for formulations, distribution and extraction	Q3-Q4 2019	\$500,000
Expansion of greenhouse cultivation footprint at Falkland Facility	Q1 2020	\$750,000

Secure initial retail location in Alberta now that the Province of Alberta has resumed granting licences	Q1 2020	\$150,000
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Previous Financing

The following table provides a comparison of disclosure that the Company previously made regarding the use of proceeds in the Company's short form prospectus dated January 30, 2019 (the "**January 2019 Prospectus**"), an explanation of variances in the use of proceeds from such disclosure and the impact of those variances on the Company's ability to achieve the business objectives and milestones disclosed in the January 2019 Prospectus.

Use of Proceeds	Amount Allocated to Use	Actual Use of Funds	Variance
Purchase of oil extraction machines	\$2,000,000	\$1,960,000	\$40,000
Expansion of Fort Erie Facility	\$1,000,000	\$140,000	\$860,000
Retrofit of Falkland Facility	\$500,000	\$800,000	\$(300,000)
Exploration of international supply and distribution opportunities	\$1,000,000	Nil.	\$1,000,000
Purchase of hemp feedstock for Fort Erie Facility and Falkland Facility	\$500,000	\$1,950,000	\$(1,450,000)
General and administrative expenses	\$1,500,000	\$1,800,000	\$(300,000)
Working capital	\$312,175	\$162,175	\$150,000
Total	\$6,812,175	\$6,812,175	-

The Company has purchased and completed commissioning of its initial extraction machines and related components at the Falkland and Fort Erie Facilities, in with its stated strategy and on budget. The Company expects to complete minor fitting adjustments and modifications to the machines with the remaining budgeted capital. At the time of this Prospectus, the Company has paid a deposit of \$248,142 in connection with these purchases and is actively investigating opportunities to finance the balance with alternative sources of capital.

The Company is in the process of evaluating expansion plans and budgets for the remaining 97,740 square feet of the Fort Erie Facility and doing so in conjunction with its evaluation of strategic partnerships. As plans solidify, expected to occur in Q3, the remaining \$860,000 of proceeds will be deployed towards the expansion. Budgets and plans for the expansion are on-going as various partners are evaluated.

Retrofitting the cultivation and processing facilities at the Falkland Facility to meet operational timelines required the Company to accelerate trades and incur an additional \$300,000 in expenditures. Plans for the Falkland Facility are materializing as expected, with plans for further expansion, in the form of additional greenhouses, in 2019 and continuing into fiscal 2020. Additional expansion will require additional capital investment. See Use of Proceeds.

International expansion remains of interest to the Company. However, the focus to date has been towards ensuring the near term Canadian cultivation and processing strategies are successfully implemented. The Company continues to evaluate all opportunities, in-line with the Company's overall growth and diversification strategy. To date Company reallocated unspent funds in this category to the purchase of hemp and feedstock.

Supply contracts acquired by the Company under the Purefarma acquisition gave rise to increased financial commitments. As of the date of this Prospectus, the Company is committed to contracts with a total value of \$1,950,000 for 2019 and has made initial deposits in the amount of \$425,000 towards such commitments. Raw material procurement will remain a focus and the Company anticipates reallocating funds for this purpose.

Acceleration of the Company's operational plans, including the hiring of additional employees and consultants, has resulted in a \$300,000 variance relating to general and administrative expenses. The Company also incurred certain one-time costs relating to the two acquisitions, being the CannaCure acquisition and the Purefarma acquisition, which are reflected in the variance.

Each of the above noted variances are consistent with the expectations of the Company regarding the use of these

funds as of the date hereof and the Company does not expect that these variances will have any impact on its ability to achieve the business objectives and milestones disclosed in the January 2019 Prospectus. The Company's cash position at January 31, 2019 was approximately \$5,520,748 including a \$4,500,000 cashable GIC.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Company has agreed to sell and the Underwriters have agreed to severally, and not jointly or jointly and severally, purchase, as principals, 28,400,000 Units at a price of \$0.53 per Unit, for aggregate gross consideration of \$15,052,000 payable in cash to the Company against delivery of the Units. The Offering Price has been determined by arm's length negotiation between the Company and the Lead Underwriter, on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares. The obligations of the Underwriters under the Underwriting Agreement are several (and not joint or joint and several), are subject to certain closing conditions and may be terminated at their discretion on the basis of "disaster out", "material change out", "regulatory out" and "breach out" provisions in the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. The Underwriters are, however, obligated to take up and pay for all of the Units if any Units are purchased under the Underwriting Agreement.

The Underwriters have been granted the Over-Allotment Option, exercisable, in whole or in part, at the sole discretion of the Underwriters, until the Over-Allotment Deadline to cover the Underwriters' over-allocation position, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised to acquire: (i) up to 4,260,000 Over-Allotment Units at the Offering Price; (ii) up to 4,260,000 Over-Allotment Shares; (iii) up to 2,130,000 Over-Allotment Warrants; or (iv) any combination of Over-Allotment Units at the Offering Price, Over-Allotment Shares and Over-Allotment Warrants, provided that the aggregate number of Over-Allotment Shares which may be issued under the Over-Allotment Option does not exceed 4,260,000 and the aggregate number of Over-Allotment Warrants which may be issued under the Over-Allotment Option does not exceed 2,130,000. The Over-Allotment Option is exercisable by the Lead Underwriter, on behalf of the Underwriters, giving notice to the Company prior to the Over-Allotment Deadline, which notice shall specify the number of Over-Allotment Units, Over-Allotment Shares and/or Over-Allotment Warrants to be purchased. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Units, Over-Allotment Shares or Over-Allotment Warrants forming part of the Underwriters' over-allocation position acquires those Over-Allotment Units, Over-Allotment Shares or Over-Allotment Warrants under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In consideration for the services provided by the Underwriters in connection with the Offering, and pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay the Underwriters the Underwriters' Fee equal to 7.0% of the gross proceeds from the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option). As additional compensation, the Company will issue the Broker Warrants to the Underwriters. Each Broker Warrant entitles the holder thereof to purchase one Broker Warrant Unit at an exercise price equal to the Offering Price for a period of three years after the Closing Date. The Broker Warrant Units will have the same terms as the Units. This Prospectus also qualifies the distribution of the Broker Warrants to the Underwriters. The Company has also agreed to reimburse the Underwriters for certain expenses related to the Offering. There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering other than the payments to be made to the Underwriters in accordance with the terms of the Underwriting Agreement.

Pursuant to the terms of the Underwriting Agreement, the Company has agreed to indemnify the Underwriters and their directors, officers, employees, shareholders, unitholders, advisors and agents against, certain liabilities and expenses and to contribute to payments the Underwriters may be required to make in respect thereof.

The Offering is being made in each of the provinces of British Columbia, Alberta, Ontario and Nova Scotia. The Units will be offered in each such jurisdiction through those Underwriters or their affiliates who are registered to offer the Units for sale in such jurisdiction and such other registered dealers as may be designated by the Underwriters. The Units may also be offered and sold in the United States in a private placement. Subject to applicable law, the Underwriters may offer the Units in such other jurisdictions outside of Canada and the United States as agreed between the Company and the Underwriters.

The Company will provide notice to the CSE to list the Unit Shares, the Warrants, the Warrant Shares and the Broker Warrant Shares on the CSE. Listing will be subject to the Company fulfilling all listing requirements of the CSE.

The Underwriters propose to offer the Units initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Units at the Offering Price, the offering price may be decreased and may be further changed from time to time to an amount not greater than the Offering Price, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the gross proceeds paid by the Underwriters to the Company.

Pursuant to the Underwriting Agreement, the Company has agreed not to, without the prior consent of the Lead Underwriter, on behalf of the Underwriters, after discussion therewith, which consent shall not be unreasonably withheld, directly or indirectly offer, issue, pledge, sell, contract to sell, announce an intention to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise lend, transfer or dispose of, directly or indirectly, any Common Shares or securities convertible into or exchangeable for Common Shares, other than: (i) the issuance of Common Shares in connection with the exercise of any currently outstanding options of the Company, (ii) the issuance of options to acquire Common Shares pursuant to the Company's stock option plan, (iii) the issuance of awards pursuant to the Company's incentive award plan, (iv) the issuance of Common Shares pursuant to the dividend reinvestment plan of the Company, and (v) to satisfy any other currently outstanding instruments or other contractual commitments in relation to any transaction that has been disclosed to the Underwriters, for a period ending 120 days after the Closing Date. In addition, the Company has agreed not to exercise its right to accelerate the expiry date of warrants issued in connection with the Special Warrant Financing for a period of 120 days following the Closing Date.

The Company has also agreed to cause each of the directors, officers and holders of greater than 5% of the Company's issued and outstanding Common Shares as of the date of this Prospectus (after giving effect to the exercise of convertible securities owned or controlled by such holders) to enter into an agreement in favour of the Underwriters pursuant to which for a period of 120 days after the Closing Date, he, she or it shall covenant and agree that he, she or it will not, directly or indirectly, offer, sell, dispose of or otherwise monetize the economic value of any securities in the Company beneficially owned by such holder, without the prior written consent of the Lead Underwriter, on behalf of the Underwriters, after discussion therewith, subject to the following exceptions: (i) if the Company receives an offer, which has not been withdrawn, to enter into a transaction or arrangement, or proposed transaction or arrangement, pursuant to which, if entered into or completed substantially in accordance with its terms, a party could, directly or indirectly acquire an interest (including an economic interest) in, or become the holder of, 100% of the total number of Common Shares, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buyback, securities issue, reverse takeover, dual-listed company structure or other synthetic merger, transaction or arrangement; (ii) in respect of sales to affiliates of such holder; and (iii) as a result of the death of any individual holder.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Units. 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 Underwriters may over-allot or 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 Underwriters at any time. The Underwriters may carry out these transactions on the CSE, in the over-the counter market or otherwise.

Subscriptions will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about May 2, 2019, or such other date as may be agreed upon by the Company and the Lead Underwriter, but in

any event no later than 42 days after the date of the receipt of the (final) short form prospectus. It is anticipated that the Units will be delivered under the book-based system through CDS or its nominee and deposited in electronic form. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Units in accordance with the book-based system. No certificates will be issued unless specifically requested or required.

Any Units offered hereby have not been and will not be registered under the U.S. Securities Act or any state securities laws, and accordingly the Units may not be offered or sold in the United States (if at all) or for the account or benefit of, persons within the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriters have agreed that, except as permitted by the Underwriting Agreement and as expressly permitted by applicable U.S. federal and state securities laws, they will not offer or sell any of the Units to, or for the account or benefit of, persons within the United States. The Underwriters may offer and resell the Units that they have acquired pursuant to the Underwriting Agreement in the United States to persons who are "qualified institutional buyers", as such term is defined in Rule 144A under the U.S. Securities Act ("**Qualified Institutional Buyers**"), in compliance with Rule 144A under the U.S. Securities Act and applicable U.S. state securities laws. The Underwriters will offer and sell the Units outside the United States only in accordance with Regulation S under the U.S. Securities Act. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units offered under the Offering in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units in the United States by any 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 other than in accordance with an exemption from such registration requirements.

The Warrants may not be exercised in the United States, or by or for the account of a person in the United States except pursuant to exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws, and the holder has delivered to the Company a written opinion of counsel, in form and substance satisfactory to the Company; provided, however, that a Qualified Institutional Buyer that purchased the Warrants from the Underwriters pursuant to the Rule 144A under the U.S. Securities Act for its own account, or for the account of another Qualified Institutional Buyer for which it exercised sole investment discretion with respect to such original purchase (an "**Original Beneficial Purchaser**"), will not be required to deliver an opinion of counsel if it exercises the Warrants for its own account or for the account of the Original Beneficial Purchaser, if any, if each of it and such Original Beneficial Purchaser, if any, was a Qualified Institutional Buyer at the time of its purchase and exercise of the Warrants.

The Unit Shares and the Warrants comprising the Units offered hereby, and the Warrant Shares issuable upon exercise of the Warrants, in each instance issued to, or for the account or benefit of, persons in the United States, will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Certificates issued representing such securities (if any) may bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable U.S. state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

Terms used and not defined in the three preceding paragraphs shall have the meanings ascribed thereto by Regulation S under the U.S. Securities Act.

This document has not been, and will not be, lodged, with the Australian Securities and Investments Commission. In Australia this document may not be distributed to any person, and the securities offered under this short form prospectus may not be offered or sold other than to (i) a "Sophisticated Investor" within the meaning of section 708(8) of the Act; or (ii) a "Professional Investor" within the meaning of section 708(11) of the Act; or (iii) another person in respect of whom disclosure is not required under Parts 6D.2 and 7.9 of the Act. There are on-sale provisions in Australia that may be applicable to investors who acquire securities. As such, investors are advised to familiarize themselves with the on sale provisions in the Act and comply accordingly.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Common Shares

The holders of Common Shares are entitled to dividends as and when declared by the board of directors of the Company, to one vote per share at meetings of shareholders of the Company and, upon liquidation, to receive such assets of the Company as are distributable to the holders of Common Shares after payment of the Company's creditors. All Common Shares, when issued, will be fully paid and non-assessable. There are no pre-emptive rights or conversion rights attached to the Common Shares. There are also no redemption, retraction or purchase for cancellation or surrender provisions, sinking or purchase fund provisions, or any provisions as to the modification, amendment or variation of any such rights or provisions attached to the Common Shares. Subject to the BC Act, the Company may, if authorized by the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

Provisions as to the modification, amendment or variation of the rights attached to the Common Shares are contained in the Company's articles and the BC Act. Generally speaking, subject to the BC Act, the Company may by ordinary resolution, create, attach, vary or delete any special rights or restrictions to the Common Shares, whether or not any or all of those shares have been issued.

Warrants

The Warrants will be governed by the terms of the Warrant Indenture. The following summary of certain provisions of the Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the Warrant Indenture. Reference is made to the Warrant Indenture for the full text of the attributes of the Warrants which is filed under the Company's corporate profile on SEDAR. A register of holders is maintained at the principal offices of the Warrant Agent in Vancouver, British Columbia.

Each Warrant will entitle the holder to acquire, subject adjustment in certain circumstances, one Warrant Share at an exercise price of \$0.70 until 4:59 p.m. (Eastern time) until the date that is the earlier of: (i) 30 months following the Closing Date; and (ii) not less than 21 days following the date of a Warrant acceleration notice is delivered to holders of Warrants as provided for in the Warrant Indenture, after which time the Warrants will be void and of no value.

The Warrant Indenture provides 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 the Common Shares as a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of Warrants or any outstanding options);
- (ii) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of 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 for or convertible into Common Shares, at a price per share to the holder (or at an exchange 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; or
- (v) the distribution to all or substantially all of the holders of the Common Shares of shares of any class other than the Common Shares, rights, options or warrants to acquire Common Shares or securities exchangeable or convertible into Common Shares other than pursuant to item (iv) above, of evidences of indebtedness, or any property or other assets.

The Warrant Indenture also provides for adjustments in the class and/or number of securities issuable upon exercise

of the Warrants and/or the exercise price per security in the event of the following additional events: (a) reclassifications of the Common Shares or a capital reorganization of the Company (other than as described in items (i) to (iii) above); (b) consolidations, amalgamations, arrangements or mergers of the Company with or into another entity; or (c) any sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to another 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 also covenants in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to the Warrant Agent and to the holders of Warrants of its intention to fix a record date for 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, at least 14 days prior to the record date of such events.

No fractional Common Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. 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 provides that, from time to time, the Warrant Agent and the Company, without the consent of the holders of Warrants, may be able to 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 or in any deed or indenture supplemental or ancillary to the Warrant Indenture, provided that, in the opinion of the Warrant Agent, relying on counsel, the rights of the holders of Warrants are in no way prejudiced. Any supplement to the Warrant Indenture that is prejudicial to the interests of the holders of Warrants, 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 66 $\frac{2}{3}$ % of the aggregate number of all the then outstanding Warrants represented at the meeting 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 66 $\frac{2}{3}$ % 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 summarizes details of the securities issued by the Company during the 12-month period prior to the date of this Prospectus.

Common Shares⁽¹⁾

Date of issuance	Type of security issued	Reason for issuance	Number of securities issued	Issue/exercise price per security
May 3, 2018	Common Shares	Exercise of Warrants	55,000	\$0.10
May 7, 2018	Common Shares	Exercise of Warrants	400,000	\$0.06
May 8, 2018	Common Shares	Exercise of Warrants	140,000	\$0.10
May 14, 2018	Common Shares	Exercise of Stock options	114,000	\$0.54

Date of issuance	Type of security issued	Reason for issuance	Number of securities issued	Issue/exercise price per security
May 17, 2018	Common Shares	Exercise of Stock options	400,000	\$0.08
May 23, 2018	Common Shares	Exercise of Warrants	75,000	\$0.10
June 8, 2018	Common Shares	Exercise of Stock options	225,000	\$0.54
July 9, 2018	Common Shares	Exercise of Warrants	300,000	\$0.10
July 16, 2018	Common Shares	Exercise of Warrants	100,000	\$0.10
July 20, 2018	Common Shares	Exercise of Warrants	200,000	\$0.10
July 20, 2018	Common Shares	Exercise of Warrants	1,506,133	\$0.10
July 20, 2018	Common Shares	Exercise of Warrants	650,000	\$0.10
July 23, 2018	Common Shares	Share purchase agreement (Voyage)	4,000,000	\$0.09 (deemed)
August 1, 2018	Common Shares	Exercise of Warrants	1,167,000	\$0.10
August 3, 2018	Common Shares	Exercise of Warrants	200,000	\$0.10
August 8, 2018	Common Shares	Exercise of Warrants	670,000	\$0.10
August 10, 2018	Common Shares	Exercise of Warrants	390,000	\$0.10
August 13, 2018	Common Shares	Exercise of Warrants	200,000	\$0.10
August 14, 2018	Common Shares	Exercise of Warrants	166,666	\$0.10
August 15, 2018	Common Shares	Exercise of Warrants	2,333,333	\$0.10
August 16, 2018	Common Shares	Exercise of Warrants	2,483,334	\$0.10
August 17, 2018	Common Shares	Exercise of Warrants	5,715,000	\$0.10
August 20, 2018	Common Shares	Exercise of Warrants	300,000	\$0.10
August 21, 2018	Common Shares	Restricted Share Unit	6,000,000	\$0.245
August 21, 2018	Common Shares	Exercise of Warrants	730,000	\$0.10
August 24, 2018	Common Shares	Exercise of Warrants	5,023,334	\$0.10
August 27, 2018	Common Shares	Exercise of Warrants	152,000	\$0.10
September 4, 2018	Common Shares	Exercise of Stock options	50,000	\$0.14

Date of issuance	Type of security issued	Reason for issuance	Number of securities issued	Issue/exercise price per security
September 12, 2018	Common Shares	Exercise of Stock options	1,500,000	\$0.14
October 2, 2018	Common Shares	Exercise of Stock options	100,000	\$0.14
October 2, 2018	Common Shares	Exercise of Stock Options	200,000	\$0.54
October 2, 2018	Common Shares	Exercise of Stock Options	150,000	\$0.35
November 5, 2018	Common Shares	Share purchase agreement (CannaCure)	133,333,326	\$0.240 (deemed)
November 5, 2018	Common Shares	Finder's fee	4,000,000	\$0.30 (deemed)
December 14, 2018	Common Shares	Share purchase agreement (Purefarma)	33,333,333	\$0.180 (deemed)
December 14, 2018	Common Shares	Finder's fee	1,200,000	\$0.195 (deemed)
January 4, 2019	Common Shares	Exercise of Warrants	129,375	\$0.06
February 6, 2019	Common Shares	Exercise of Special Warrants	33,000,000	\$0.25 ⁽²⁾
February 26, 2019	Common Shares	Exercise of Warrants	120,000	\$0.35
February 27, 2019	Common Shares	Exercise of Warrants	3,000,000	\$0.35
February 28, 2019	Common Shares	Exercise of Warrants	2,100,000	\$0.35
March 4, 2019	Common Shares	Exercise of Warrants	3,000,000	\$0.35
March 4, 2019	Common Shares	Exercise of Warrants ⁽³⁾	15,200	\$0.10
March 4, 2019	Common Shares	Exercise of Options	150,000	\$0.35
March 5, 2019	Common Shares	Exercise of Options	200,000	\$0.34
March 5, 2019	Common Shares	Exercise of Options	250,000	\$0.35
March 5, 2019	Common Shares	Exercise of Warrants	1,042,000	\$0.35
March 7, 2019	Common Shares	Exercise of Options	200,000	\$0.14
March 7, 2019	Common Shares	Exercise of Warrants	50,000	\$0.35
March 11, 2019	Common Shares	Exercise of Agents' Warrants ⁽⁵⁾	1,241,040	\$0.25

Date of issuance	Type of security issued	Reason for issuance	Number of securities issued	Issue/exercise price per security
March 14, 2019	Common Shares	Exercise of Warrants ⁽³⁾	979,064	\$0.002
March 14, 2019	Common Shares	Exercise of Warrants ⁽³⁾	71,390	\$0.1961
March 14, 2019	Common Shares	Satisfaction of Consulting Agreement Obligations ⁽⁴⁾	152,979	\$0.34 (deemed)
March 19, 2019	Common Shares	Exercise of Warrants	1,470,000	\$0.35
March 20, 2019	Common Shares	Exercise of Warrants	1,750,000	\$0.35
March 21, 2019	Common Shares	Exercise of Warrants	228,000	\$0.35
March 29, 2019	Common Shares	Exercise of Warrants	74,000	\$0.35
April 1, 2019	Common Shares	Exercise of Warrants	220,000	\$0.35
April 1, 2019	Common Shares	Exercise of Warrants ⁽⁶⁾	1,241,040	\$0.35
April 2, 2019	Common Shares	Exercise of Warrants	950,000	\$0.35
April 4, 2019	Common Shares	Exercise of Warrants ⁽³⁾	764,893	\$0.1961
April 10, 2019	Common Shares	Exercise of Warrants	1,500,000	\$0.35
April 16, 2019	Common Shares	Exercise of Options ⁽³⁾	2,549,644	\$0.0981

- (1) In connection with the CannaCure acquisition, the Company assumed the obligations of CannaCure, which includes an option agreement between CannaCure and an arm's length party to purchase the Leamington Facility, which, if triggered, entitles the vendor thereof to acquire 3,059,950 Common Shares for nominal consideration.
- (2) The Common Shares issued pursuant to the deemed exercise of the special warrants were issued to the purchasers thereof for no additional consideration pursuant to the terms of the special warrants. The issue/exercise price of \$0.25 represents the purchase price of the special warrants. The special warrants were exercised on the basis of 1.1 Common Shares for each special warrant as a result of the penalty provision thereof, resulting in an additional 3,000,000 Common Shares being issued to the holders of the special warrants.
- (3) The securities exercised were issued in connection with the CannaCure acquisition.
- (4) These common shares were issued in satisfaction of an obligation of CannaCure owing to one of its consultants pursuant to the terms of a consulting agreement entered into by CannaCure in November 2018. This obligation was assumed by the Company in connection with the CannaCure acquisition.
- (5) Issued pursuant to the exercise of the agents' warrants issued upon the deemed exercise of the agents' special warrants.
- (6) Issued pursuant to the exercise of the warrants issued to the agents on March 11, 2019 in connection with the exercise of the agents' warrants described in Note (5), above.

Warrants

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
November 5, 2018	Warrants	979,063 ⁽¹⁾	\$0.002
November 5, 2018	Warrants	836,283 ⁽¹⁾	\$0.1961

February 6, 2019	Warrants	33,000,000 ⁽²⁾	\$0.25
March 11, 2019	Warrants	1,241,040 ⁽³⁾	\$0.35

- (1) Issued in connection with the CannaCure acquisition.
- (2) The Common Share purchase warrants issued pursuant to the deemed exercise of the special warrants were issued to the purchasers thereof for no additional consideration pursuant to the terms of the special warrants. The exercise price of \$0.25 represents the purchase price of the special warrants. The special warrants were exercised on the basis of 1.1 Common Share purchase warrants for each special warrant as a result of the penalty provision thereof. The warrants issued upon the deemed exercise of the special warrants at a price of \$0.35 per Common Share.
- (3) Issued pursuant to the exercise of the agents' warrants issued upon the deemed exercise of the agents' special warrants.

Agents' Warrants

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
February 6, 2019	Warrants	1,551,300 ⁽¹⁾	\$0.25

- (1) The Common Share purchase warrants were issued pursuant to the deemed exercise of the agents' special warrants to the holders thereof, for no additional consideration pursuant to the terms of the agents' special warrants. The agents' warrants are exercisable at a price of \$0.25 per Common Share.

Special Warrants

Date of issuance	Type of security issued	Number of securities issued	Issue/Exercise Price per security
November 7, 2018	Special Warrants	30,000,000 ⁽¹⁾	\$0.25

- (1) The special warrants were deemed to be exercised by the holders thereof on February 6, 2019, for no additional consideration pursuant to the terms of the special warrants. The issue/exercise price of \$0.25 represents the purchase price of the special warrants. The special warrants were exercised on the basis of 1.1 Common Shares and 1.1 Common Share purchase warrants for each special warrant as a result of the penalty provision thereof.

Agents' Special Warrants

Date of issuance	Type of security issued	Number of securities issued	Issue/Exercise Price per security
November 7, 2018	Agents' Special Warrants	1,551,300 ⁽¹⁾	\$0.25

- (1) The agents' special warrants were deemed to be exercised by the holders thereof on February 6, 2019, for no additional consideration pursuant to the terms of the special warrants. The agents' special warrants are exercisable at a price of \$0.25.

Stock Options

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
April 30, 2018	Stock Options	1,400,000	\$0.35
November 5, 2018	Stock Options	5,099,288 ⁽¹⁾	\$0.0981
November 5, 2018	Stock Options	2,039,715 ⁽¹⁾	\$0.1961
February 8, 2019	Stock Options	5,500,000	\$0.34

- (1) Issued in connection with the CannaCure acquisition.

TRADING PRICE AND VOLUME

The Common Shares are listed on the CSE under the trading symbol "CANN" and on the OTC PK under the symbol "HERTF". The following table sets forth information relating to the trading of the Common Shares on the CSE for the months indicated.

Month	CSE Price Range (\$)		Total Volume
	High	Low	
March 2018	0.58	0.455	28,660,703
April 2018	0.48	0.295	34,668,691
May 2018	0.36	0.22	37,884,832
June 2018	0.375	0.25	21,101,879
July 2018	0.36	0.26	17,016,131
August 2018	0.335	0.19	20,868,525
September 2018	0.345	0.25	28,618,145
October 2018	0.34	0.21	34,030,293
November 2018	0.25	0.15	30,170,006
December 2018	0.20	0.15	18,351,899
January 2019	0.235	0.16	24,883,171
February 2019	0.495	0.22	87,863,892
March 2019	0.67	0.415	77,376,422
April 1 - 15, 2019 ⁽¹⁾	0.72	0.51	38,145,534

(1) Up to April 15, 2019, the last trading day prior to the date of this Prospectus.

RISK FACTORS

An investment in the securities of the Company is speculative and subject to risks and uncertainties. The occurrence of any one or more of these risks or uncertainties could have a material adverse effect on the value of any investment in the Company and the business, prospects, financial position, financial condition or operating results of the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations.

Prospective purchasers should carefully consider all information contained in this Prospectus, including all documents incorporated by reference, and in particular should give special consideration to the risk factors under the section titled "Risk Factors" in the Annual Information Form, which is incorporated by reference in this Prospectus and which may be accessed on the Company's SEDAR profile at www.sedar.com, and the information contained in the section entitled "Cautionary Statement Regarding Forward-Looking Information". Additionally, purchasers should consider the risk factors set forth below.

The risks and uncertainties described or incorporated by reference in this Prospectus are not the only ones the Company may face. Additional risks and uncertainties that the Company is unaware of, or that the Company currently deems not to be material, may also become important factors that affect the Company. If any such risks actually occur, the Company's business, financial condition or results of operations could be materially adversely affected, with the result that the trading price of the Common Shares could decline and investors could lose all or part of their investment.

The Company has discretion in the use of net proceeds

The Company intends to use the net proceeds from the Offering as set forth under "Use of Proceeds"; however, the Company maintains broad discretion to use the net proceeds from the Offering in ways that it deems most efficient. The Company has no plans to use the net proceeds or to engage in any cannabis-related activities in the United States as long as such activities remain federally illegal. The failure to apply the net proceeds as set forth under "Use of Proceeds" and other financings could adversely affect the Company's business and, consequently, could adversely affect the price of the Common Shares on the open market.

Negative cash flow from operations

During the fiscal year ended October 31, 2018 and the three month period ended January 31, 2019, the Company had negative cash flow from operating activities. Although the Company anticipates it will have positive cash flow from operating activities in future periods, to the extent that the Company has negative cash flow in any future period, certain of the net proceeds from the Offering may be used to fund such negative cash flow from operating activities, if any.

Holder of Common Shares will be diluted

The Company may issue additional securities in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will 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, subject to compliance with applicable laws. Moreover, additional Common Shares will be issued by the Company on the exercise of the Warrants and Broker Warrants.

There is currently no market for the Warrants

There is currently no market through which the Warrants may be sold. The Company will give notice to list the warrants, but such listing may not occur. Accordingly, the purchasers may not be able to resell the Warrants purchased under this Prospectus. This may affect pricing of the Warrants in the secondary market, the transparency and availability of trading prices and the liquidity of the Warrants. The Offering Price and the allocation thereof between the Unit Shares and the Warrants comprising the Units have been determined by negotiation between the Company and the Underwriters.

Holder of Warrants have no rights as shareholders

Until a holder of Warrants acquires Warrant Shares upon exercise of Warrants, such holder will have no rights with respect to the Warrant Shares underlying such Warrants. Upon exercise of such 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 of such Warrants.

Construction risks

The Company is subject to a number of risks, including the availability and performance of engineering and construction contractors, suppliers and consultants, the receipt of required governmental approvals and permits in connection with the construction and retrofitting of its facilities. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Company is dependent in connection with its construction and retrofitting activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements could delay or prevent the construction, retrofitting and ramp up of the Company's facilities as planned. There can be no assurance that current or future construction and retrofitting plans implemented by the Company will be successfully completed on time, within budget and without design defect; that available personnel and equipment will be available in a timely manner or on reasonable terms to successfully complete such projects; that the Company will be able to obtain all necessary governmental approvals and permits; or that the completion of the projects, the start-up costs and the ongoing operating costs will not be significantly higher than anticipated by the Company. In addition, the Company may need to raise additional capital to finance construction

and retrofitting activities, but may be unable to do so under favourable terms or at all. Any of the foregoing factors could adversely impact the operations and financial condition of the Company.

Licensing risks related to expansion of operations

The Company's future growth is dependent on the completion of expansions at the Fort Erie and Falkland Facilities. These expansions require the issue or amendment of licences by Health Canada. There is no guarantee that Health Canada will approve the contemplated expansion in a timely fashion, nor is there any guarantee that the expansion will be completed in its currently proposed form, if at all. The failure of the Company to successfully execute its expansion strategy (including receiving the expected Health Canada licences or licence amendments in a timely fashion) could adversely affect the business, financial condition and results of operations of the Company and may result in the Company not meeting anticipated or future demand when it arises.

Canadian investors in the Company's securities and the Company's directors, officers and employees may be subject to travel and entry bans into the United States

News media have reported that United States immigration authorities have increased scrutiny of Canadian citizens who are crossing the United States–Canada border with respect to persons involved in cannabis businesses in the United States. There have been a number of Canadians barred from entering the United States as a result of an investment in or act related to United States cannabis businesses. In some cases, entry has been barred for extended periods of time.

The majority of persons travelling across the Canadian and U.S. border do so without incident. Some persons are simply barred entry one time. The U.S. Department of State and the Department of Homeland Security have indicated that the United States has not changed admission requirements in response to the legalization of recreational cannabis in Canada, but anecdotal evidence indicates that the United States may be increasing enforcement of its federal laws regarding cannabis-related practices or activities, including the cultivation, possession or distribution of cannabis.

Admissibility to the United States may be denied to any person working or "having involvement in" the cannabis industry, including in states where it is deemed legal, according to United States Customs and Border Protection. Additionally, legal experts have indicated that if the admission criteria are applied broadly, this may result in a determination that the act of investing, working or collaborating with a U.S. cannabis company is considered trafficking in a Schedule I controlled substance or aiding, abetting, assisting, conspiring or colluding in the trafficking of a Schedule I controlled substance. Inadmissibility in the United States implies a lifetime ban for entry as such designation is not lifted unless an individual applies for and obtains a waiver.

According to a statement released by U.S. Customs and Border Protection on September 21, 2018 (as updated on October 9, 2018), a Canadian citizen working in or facilitating the proliferation of the legal cannabis industry in Canada, coming to the U.S. for reasons unrelated to the cannabis industry will generally be admissible to the U.S.; however, if a traveler is found to be coming to the U.S. for reason related to the cannabis industry, such traveler may be deemed inadmissible and subject to the aforementioned travel bans.

While the Company currently does not engage in U.S. cannabis-related activities nor does it intend on doing so in the future, the Company's involvement in the U.S. cannabis industry may change subject to the discretion of management.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Owens Wright LLP, counsel to the Company, the following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a beneficial owner of Unit Shares and Warrants who acquires the Units pursuant to this Offering. For purposes of this summary, references to Common Shares include Unit Shares and Warrant Shares unless otherwise indicated. This summary applies only to persons who, for the purposes of the application of the Tax Act and at all relevant times: (i) deal at arm's length with the Company and the Underwriters and are not affiliated with the Company or the Underwriters; and (ii) acquired and holds any Common Shares and Warrants, as capital property. Persons meeting such requirements are referred to as a "**Holder**" or "**Holder**s" herein, and this summary only addresses such Holders. Common Shares and Warrants will generally be capital property to a Holder unless they are held in the course of

carrying on a business of trading or dealing in securities or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act, all specific proposals to amend the Tax Act that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"), our understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") and the Canada-United States Tax Convention (1980), as amended (the "**Canada-US Treaty**"). No assurance can be given that the Proposed Amendments will be enacted in the form proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except as mentioned above, does not take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, regulatory, administrative, governmental or judicial decision or action, nor does it take into account the tax laws of any province or territory of Canada or of any jurisdiction outside of Canada, which may differ significantly from the Canadian federal income tax considerations discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors having regard to their own particular circumstances.

Allocation of Cost

Holders will be required to allocate on a reasonable basis their cost of each Unit between the Unit Share and the Warrant in order to determine their respective costs for purposes of the Tax Act. Holders will be required to allocate on a reasonable basis their cost of each Unit between the Unit Share and the Warrant in order to determine their respective costs for purposes of the Tax Act. The CRA is not bound by a Holder's allocation. Holders are encouraged to consult their own tax advisors in this regard.

Adjusted Cost Base

The Holder's adjusted cost base of the Unit Shares will be determined by averaging the cost of the Unit Shares with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder on 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 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 such cost with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Holders Resident in Canada

This section of the summary applies to a Holder who, at all relevant times, is, or is deemed to be, resident in Canada for the purposes of the Tax Act (a "**Resident Holder**"). Persons who are residents of Canada for purposes of the Tax Act and whose Common Shares do not otherwise qualify as capital property may in certain circumstances make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Common Shares, and every other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and in all subsequent taxation years, be deemed to be capital property. Persons whose Common Shares might not otherwise be considered to be capital property should consult their own tax advisors concerning this election. Such election is not available in respect of Warrants.

This summary is not applicable to a Resident Holder: (i) that is a "financial institution", as defined in the Tax Act for the purpose of the mark-to-market rules; (ii) an interest in which would be a "tax shelter investment", as defined in the Tax Act; (iii) that is a "specified financial institution", as defined in the Tax Act; (iv) that has made an election under the Tax Act to determine its Canadian tax results in a foreign currency; or (v) that enters into, with respect to Common Shares or Warrants, a "derivative forward agreement" (as defined in the Tax Act). All such Resident Holders

should consult their own tax advisors with respect to their own particular circumstances.

Expiry of Warrants

The expiry of an unexercised Warrant will generally result in a capital loss to the Resident Holder equal to the adjusted cost base of the Warrant to the Resident Holder immediately before its expiry. See the discussion below under the heading "Taxation of Capital Gains and Capital Losses".

Dispositions of Common Shares and Warrants

On a disposition or deemed disposition of a Common Share (except to the Company) or a Warrant (other than on the exercise or expiry of a Warrant), a capital gain (or loss) will generally be realized by a Resident Holder in the year of disposition to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Common Share or the Warrant, as the case may be, to the Resident Holder immediately before the disposition. Any such capital gain (or capital loss) will be subject to the treatment described below under the heading "Taxation of Capital Gains and Capital Losses".

Taxation of 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 may be carried back and deducted in any of the three preceding years or carried forward and deducted in any following taxation year against 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 by a Resident Holder that is a corporation on a disposition of Common Shares may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Common Shares to the extent and under the circumstances specified in 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 or where a partnership or trust, of which a corporation is a member or a beneficiary, is a member of a partnership or a beneficiary of a trust that owns Common Shares. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the year a "Canadian-controlled private corporation" (as defined in the Tax Act) may also be liable for an additional tax (refundable in certain circumstances) on "aggregate investment income" (as defined in the Tax Act), which includes amounts in respect of taxable capital gains.

Dividends

Dividends received or deemed to be received by a Resident Holder on the Common Shares, 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 to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit provisions where the Company provides appropriate notice to the recipient designating the dividend as an "eligible dividend" for purposes of the Tax Act. There may be limitations on the ability of the Company to designate dividends as "eligible dividends", and the Company has made no commitments in this regard.

Dividends received or deemed to be received on the Common Shares by a Resident Holder that is a corporation must also be included in computing its income but will generally be deductible in computing its taxable income, subject to all restrictions and special rules under the Tax Act. 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. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a "private corporation" (as defined in the Tax Act) or any other corporation 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 an additional tax (refundable in certain circumstances) under Part IV of the Tax Act on dividends received or deemed to be received on the Common Shares to the extent that such dividends are deductible in computing the Resident Holder's taxable income. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Alternative Minimum Tax

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

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act: (i) is not, and is not deemed to be, resident in Canada; and (ii) does not use or hold the Common Shares or Warrants in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). This summary does not 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), and such Non-Resident Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed under the Tax Act to be paid or credited by the Company to a Non-Resident Holder on the Common Shares will be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividends, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident. For example, where a Non-Resident Holder is a resident of the United States, is fully entitled to the benefits under the Canada-US Treaty and is the beneficial owner of the dividend, the applicable rate of Canadian withholding tax is generally reduced to 15% in most circumstances.

Dispositions of Common Shares and Warrants

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Common Share or Warrant unless the Common Share or Warrant (as applicable) is, or is deemed to be, "taxable Canadian property" of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Provided that the Common Shares are listed on a "designated stock exchange" for the purposes of the Tax Act (which currently includes the CSE) at the time of a disposition of a Common Share or Warrant, generally a Common Share or Warrant (as applicable) will not constitute taxable Canadian property of a Non-Resident Holder unless, at any time during the 60 month period immediately preceding the disposition, (i) at least 25% of the issued shares of any class or series of the capital stock of the Company were owned by or belonged to any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm's length for purposes of the Tax Act, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, "Canadian resource property" (as defined in the Tax Act), "timber resource property" (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, 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 income tax convention, the consequences described above under the headings "Holders Resident in Canada — Dispositions of Common Shares and Warrants" and "Taxation of 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.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Morgan & Company LLP, Chartered Professional Accountants, Vancouver, BC. Morgan & Company LLP is independent of the Company in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia.

INTERESTS 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, 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 company:

- Owens Wright LLP is the Company's counsel with respect to Canadian legal matters herein;
- Morgan & Company LLP, Chartered Professional Accountants, is the Company's independent auditors and has prepared an independent audit report dated February 27, 2019 in respect of the Company's audited consolidated financial statements for the years ended October 31, 2018 and 2017;
- Morgan & Company LLP, Chartered Professional Accountants, is Voyage's independent auditors and has prepared an independent audit report dated October 18, 2017 in respect of Voyage's financial statements for the year ended October 31, 2016; and
- MNP LLP, Chartered Professional Accountants, is CannaCure's independent auditors and has prepared an independent audit report dated September 20, 2018 in respect of CannaCure's financial statements for the years ended December 31, 2017 and December 31, 2016.

Based on information provided by the relevant persons, and except as otherwise disclosed in this Prospectus, none of the persons or companies referred to above has received or will receive any direct or indirect interests in the Company's property or the property of an associated party or an affiliate of the Company or have any beneficial ownership, direct or indirect, of the Company's securities or of an associated party or an affiliate of the Company.

As at the date hereof, the "designated professionals" (as such term is defined in Form 51-102F2 – *Annual Information Form*) of Owens Wright LLP beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares.

The auditors of the Company are Morgan & Company LLP, Chartered Professional Accountants, Vancouver, British Columbia, who have advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

MNP LLP, Chartered Professional Accountants, is independent of CannaCure in accordance with the CPA code of Professional Conduct of Chartered Professional Accountants of Ontario.

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 thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some provinces, revisions of the price or damages if the prospectus and

any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of 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 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 exercise of the 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.

CERTIFICATE OF THE COMPANY

Dated: April 16, 2019

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of each of the Provinces of British Columbia, Alberta, Ontario and Nova Scotia.

(Signed) Clinton Sharples

Chief Executive Officer

(Signed) Erin Prohaska

Chief Financial Officer

On Behalf of the Board of Directors

(Signed) Graeme Staley

Director

(Signed) Debra Senger

Director

CERTIFICATE OF THE UNDERWRITERS

Dated: April 16, 2019

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of each of the Provinces of British Columbia, Alberta, Ontario and Nova Scotia.

CORMARK SECURITIES INC.

(Signed) Alfred Avannessy

Managing Director

PI FINANCIAL CORP.

(Signed) Blake Corbet

Managing Director

DESJARDINS SECURITIES INC.

(Signed) William Tebbutt

Managing Director

CANACCORD GENUITY CORP.

(Signed) Jamie Brown

Vice Chairman and Managing Director