

VERITAS PHARMA INC.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF
SHAREHOLDERS AND MANAGEMENT INFORMATION CIRCULAR**

including with respect to a proposed

ACQUISITION

of all of the shares of

INDIGENOUS BLOOM HEMP CORPORATION

by

VERITAS PHARMA INC.

MARCH 1, 2021

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VERITAS PHARMA INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (the “**Veritas Common Shares**”) of Veritas Pharma Inc. (“**Veritas**” or the “**Company**”) will be held at 3200 – 650 West Georgia Street, Vancouver, British Columbia on April 6, 2021 at 12:00 noon (Pacific time) for the following purposes:

1. To receive the Report of the Directors;
2. to receive the audited consolidated financial statements of the Company for the fiscal year ended April 30, 2020 and the report of the auditors thereon;
3. to determine the number of directors and elect directors for the ensuing year;
4. to appoint MNP LLP as the auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration;
5. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution (the “**Amalgamation Resolution**”), the full text of which is set forth in Appendix B to the accompanying Management Information Circular (“**Circular**”), approving the acquisition of Indigenous Bloom Hemp Corporation (“**Hempco**”) by way of its amalgamation with the Company’s wholly-owned subsidiary, 12302161 Canada Inc. (“**Newco**”), and the transactions contemplated in the Business Combination Agreement dated September 4, 2020, among the Company, Hempco and Newco;
6. to consider and, if thought advisable, to pass, with or without variation, a special resolution (the “**Consolidation Resolution**”), the full text of which is set forth in Appendix B to the accompanying Circular, consolidating the issued and outstanding Veritas Common Shares on the basis of 2 pre-consolidation common shares for one post-consolidation common share; and
7. to transact such other business, including amendments to the foregoing, as may properly come before the Meeting or any adjournment or adjournments thereof.

This Notice of Meeting is accompanied by the Circular and either a form of proxy for registered Shareholders or a voting instruction form for beneficial Shareholders (collectively, the “**Meeting Materials**”). The nature of the business to be transacted at the Meeting is described in further detail in the accompanying Circular. The Circular is deemed to form part of this Notice of Meeting. Please read the Circular carefully before you vote on the matters to be presented at the Meeting.

The Directors of the Company have fixed the close of business on March 1, 2021 as the record date for determining Shareholders entitled to receive notice of and to vote at the Meeting. Only Shareholders whose names have been entered into the register of the holders of Veritas Common

Shares as at March 1, 2021 will be entitled to receive notice of and to vote at the Meeting in respect of such Veritas Common Shares.

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a proxy may do so by using one of the following methods:

- (a) by completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1, or by hand delivery to the 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada, V6C 3B9;
- (b) by using a touch-tone phone to transmit voting choices to a toll-free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the holder's account number and the Proxy control number; or
- (c) by using the internet through the website of the Company's transfer agent at www.investorvote.com. Registered shareholders must follow the instructions that are given by the website and refer to the enclosed proxy form for the holder's account number and the proxy access number;

and in all cases ensuring that the proxy is received before 12:00 noon (Pacific time) on April 2, 2021 or no less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof.

All non-registered Shareholders who receive these materials through a broker or other intermediary should complete and return the materials in accordance with the instructions provided to them by such broker or intermediary.

In light of ongoing public health concerns related to the COVID-19 pandemic and in order to comply with government decrees, the Company is requesting that Shareholders not attend the Meeting in person. Rather, the Company encourages Shareholders to submit their vote by proxy ahead of the Meeting in accordance with the instructions described above and in the Circular.

Shareholders who have within 14 days of the date of the Meeting: (i) COVID-19 symptoms, (ii) been in close contact with another person with COVID-19 symptoms, or (iii) travelled outside of Canada, cannot attend the Meeting and should therefore vote only by proxy. For those Shareholders who attend the Meeting, physical distancing measures will be applicable, as directed by the Provincial Health Officer. The Company also reserves the right to change the location, date and time of the Meeting, based on developments with the COVID-19 pandemic.

DATED at Vancouver, British Columbia, as of this 1st day of March, 2021.

By order of the Board of Directors

“Peter McFadden”

Peter McFadden,
Interim Chief Executive Officer and Chief Financial Officer

MANAGEMENT INFORMATION CIRCULAR AS AT AND DATED MARCH 1, 2021

(unless otherwise noted)

GENERAL INFORMATION

Introduction

This Management Information Circular (“**Circular**”) accompanies the Notice of Annual General and Special Meeting (“**Notice of Meeting**”) of holders (“**Shareholders**”) of common shares (“**Veritas Common Shares**”) of Veritas Pharma Inc. (“**Veritas**” or the “**Company**”) scheduled to be held on April 6, 2021 (the “**Meeting**”), and is furnished in connection with a solicitation of proxies by management of the Company for use at that Meeting and at any adjournment or postponement thereof. No person has been authorized to give any information or make any representation in connection with the Amalgamation (as defined herein) or any other matters to be considered at the Meeting other than those contained in this Circular (or incorporated by reference herein) and, if given or made, any such information or representation must not be relied upon as having been authorized.

All summaries of, and references to, the acquisition of all of the issued and outstanding shares of Indigenous Bloom Hemp Corporation (“**Hempco**”) (by way of the Amalgamation of Hempco and 12302161 Canada Inc. (“**Newco**”), a wholly owned subsidiary of the Company) in this Circular are qualified in their entirety by reference to the complete text of the Business Combination Agreement dated September 4, 2020 (the “**Business Combination Agreement**”) which is available under the Company’s profile on SEDAR at www.sedar.com. You are urged to carefully read the full text of the Business Combination Agreement.

Information Contained in this Circular

The information contained in this Circular is given as at March 1, 2021 except where otherwise noted, and information contained in documents incorporated by reference herein is given as of the dates noted in those documents.

Neither the delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstance, provide any assurance or create any implication that there has been no change in the information set forth herein since the date as of which such information is given in this Circular.

The information concerning Hempco herein has been provided by Hempco. Although Veritas has no knowledge that would indicate that any of such information is untrue or incomplete, Veritas assumes no responsibility for the accuracy or completeness of such information or the failure by Hempco to disclose events that may have occurred or may affect the completeness or accuracy of such information.

This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation

is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Circular.

If you hold Veritas Common Shares through a broker, investment dealer, bank, trust company, nominee or other intermediary (individually an “**Intermediary**” and collectively, “**Intermediaries**”), you should contact your Intermediary for instructions and assistance in voting at the Meeting.

Cautionary Notice Regarding Forward-Looking Statements

This Circular, including documents incorporated by reference herein, contains forward-looking statements and information (collectively referred to as “**forward-looking information**”). All statements other than statements of historical fact are forward-looking information. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends”, “potential”, and similar expressions are intended to identify forward-looking information. Forward-looking information presented in such statements or disclosures may, among other things, relate to:

- (i) the anticipated benefits from the Amalgamation;
- (ii) the expected completion and implementation date of the Amalgamation;
- (iii) the percentage of Consolidated Veritas Common Shares (defined herein) held by both Shareholders and current Hempco Shareholders (defined herein) upon completion of the Amalgamation;
- (iv) the listing of the Consolidated Veritas Common Shares issuable pursuant to the Amalgamation on the CSE;
- (v) certain combined operational and financial information;
- (vi) the nature of operations of Veritas following the Amalgamation;
- (vii) forecasts of expenditures, including general and administrative expenses;
- (viii) expectations regarding the ability to raise capital;
- (ix) fluctuations in currency exchange rates;
- (x) the business focus and outlook of Veritas following the Amalgamation;
- (xi) plans and objectives of management for future operations;
- (xii) anticipated operational and financial performance; and
- (xiii) the effect of the Amalgamation on the share capital of Veritas.

Care should be taken when considering forward-looking information, which is inherently uncertain, is based on estimates and assumptions, and is subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking information will not occur. There can be no assurance that the plans, intentions or expectations upon which forward-looking information is based will in fact be realized. Actual results may differ, and the difference may be material and adverse to Veritas and/or Hempco. Forward-looking information is provided for the purpose of providing information about the current expectations and plans relating to the future of the management of both Veritas and Hempco. Reliance on such information may not be appropriate for other purposes, such as making investment decisions.

Various assumptions or factors are typically applied in drawing conclusions or making forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to Veritas and Hempco and while consideration has been given to list what the companies think are the most important factors, the list should not be considered exhaustive. In some instances, material assumptions and factors are presented or discussed elsewhere in this Circular in connection with the statements or disclosure containing the forward-looking information. The factors and assumptions include, but are not limited to:

- the approval of the Amalgamation by the regulatory authorities;
- the approval of the Amalgamation Resolution (defined herein) by the Shareholders;
- the satisfaction or waiver of all conditions to the completion of the Amalgamation in accordance with the terms of the Amalgamation Agreement;
- no material changes in the legislative and operating framework for the businesses of Veritas and Hempco, as applicable;
- stock market volatility and market valuations;
- no material adverse changes in the business of either or both of Veritas and Hempco;
- the ability of the Resulting Issuer (defined herein) to access capital subsequent to the Amalgamation; and
- no significant event occurring outside the ordinary course of business of Veritas or Hempco, as applicable, such as a natural disaster or other calamity.

The forward-looking information in statements or disclosures in this Circular (including the documents incorporated by reference herein) is based (in whole or in part) upon factors which may cause actual results, performance or achievements of Veritas or Hempco, as applicable, to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to Veritas and Hempco, as applicable, including information obtained from third-party industry analysts and other third party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While Veritas and Hempco do not know what impact any of those differences may have, their business, results of operations, and financial condition may be materially adversely affected.

The reader is further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change or may impact asset values and net earnings as further information becomes available, and as the economic environment changes.

Readers should also consider the risk factors described under “*Risk Factors*” and under “*Appendix D - Information Concerning the Resulting Issuer – Risk Factors*” and other risks described elsewhere in this Circular and in the documents incorporated by reference herein, including “Forward-Looking Information” in the Management’s Discussion and Analyses of both Veritas and Hempco. Additional information on these and other factors that could affect the operations or financial results of Veritas are included in documents on file with applicable Canadian Securities Administrators and may be accessed on the profile of Veritas through SEDAR (www.sedar.com). Such documents, unless expressly incorporated by reference herein, and websites, although referenced, do not form part of this Circular.

The forward-looking information contained in this Circular (including the documents incorporated by reference herein) is made as of the date hereof and thereof and neither Veritas nor Hempco undertake any obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable Canadian Securities Laws.

Information for Beneficial Shareholders

Only those persons whose name appears on the register of Veritas as the owner of Veritas Common Shares (“Registered Shareholders”) or duly appointed proxyholders are permitted to vote at the Meeting. Many shareholders are “non-registered” shareholders because the Veritas Common Shares they own are registered in the name of an Intermediary through which they hold the Veritas Common Shares. More particularly, a person is not a Registered Shareholder in respect of Veritas Common Shares which are held on behalf of that person (the “**Beneficial Shareholder**”) but which are registered either:

- (i) in the name of an Intermediary that the Beneficial Shareholder deals with in respect of the Veritas Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and tax free savings accounts and similar plans); or
- (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. or Cede & Co.) in which the Intermediary is a participant.

In Canada, the vast majority of such shares are registered under the name of CDS, which company acts as nominee for many Canadian brokerage firms. Veritas Common Shares held by Intermediaries can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Veritas Common Shares held for Beneficial Shareholders. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Veritas Common Shares are**

communicated to the appropriate person or that the Veritas Common Shares are duly registered in their name.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be followed carefully by Beneficial Shareholders in order to ensure that their Veritas Common Shares are voted at the Meeting. Often, the voting instruction form supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided to Registered Shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”).

Broadridge typically mails its voting instruction form (a “**VIF**”), which may be scanned, in lieu of the form of proxy. The Beneficial Shareholders will be requested to complete and return the VIF to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can vote by telephone or via the internet at www.proxyvote.com. The various methods of voting will be provided by Broadridge on its VIF. Veritas may utilize the Broadridge QuickVote™ service to assist shareholders with voting their shares. A Beneficial Shareholder receiving a VIF from Broadridge cannot use that VIF to vote Veritas Common Shares directly at the Meeting as the VIF must be returned as directed by Broadridge in advance of the Meeting in order to have the Veritas Common Shares voted.

Conventions

Words importing the singular include the plural and vice versa.

In this Circular, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars and references to “dollars” or “\$” are to Canadian dollars and references to “US\$” are to United States dollars.

This Circular contains defined terms. For a list of certain defined terms used herein, see Glossary of Terms on the following page of the Circular.

GLOSSARY OF TERMS

In this Circular, the following terms shall have the respective meanings set out below, unless otherwise defined herein or unless there is something in the subject matter inconsistent therewith.

“3 Carbon” means 3 Carbon Extractions Inc., a corporation in which Veritas previously held a 50% interest.

“ACMPR” means Access to Cannabis for Medical Purposes Regulations.

“Amalco” means the amalgamated corporation under the CBCA resulting and continuing from the Amalgamation which will be named “Indigenous Bloom Hemp Corporation” and which will be a wholly-owned subsidiary of the Resulting Issuer.

“Amalgamation” means the three-cornered amalgamation involving Veritas, Newco and Hempco pursuant to the Amalgamation Agreement, pursuant to which Newco and Hempco will amalgamate under the CBCA to form Amalco.

“Amalgamation Agreement” means the amalgamation agreement dated February 17, 2021 made among Veritas, Hempco and Newco, a copy of which is available on SEDAR at www.sedar.com.

“Amalgamation Resolution” means the ordinary resolution of Shareholders to be considered at the Meeting to approve the Amalgamation.

“Associate” has the meaning ascribed to such term in the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder.

“BCBCA” means the *Business Corporations Act* (British Columbia) as amended, including the regulations promulgated thereunder.

“BCSC” means the British Columbia Securities Commission.

“Beneficial Shareholder” has the meaning ascribed thereto in “*General Information – Information for Beneficial Shareholders*”.

“Board” or **“Board of Directors”** means the board of directors of Veritas, Hempco or the Resulting Issuer as the context requires.

“Business” means, in the case of Veritas, the business of Veritas and its subsidiaries as it is currently conducted, and, in the case of Hempco, means the business of Hempco as it is currently conducted.

“Business Combination Agreement” means the business combination agreement dated September 4, 2020, as amended February 17, 2021, made among Veritas, Hempco and Newco, a copy of which is available on SEDAR at www.sedar.com.

“Business Day” means any day, which is not a Saturday, a Sunday or a statutory holiday in the Province of British Columbia.

“**Cannabis Act**” means the *Cannabis Act* (Canada).

“**Canadian Securities Laws**” means the *Securities Act* (British Columbia), as amended, and the equivalent legislation in the other provinces where Veritas is a reporting issuer, as amended from time to time, the rules, regulations and forms made or promulgated under any such statutes and the published policies, bulletins and notices of the regulatory authorities administering such statutes.

“**Cannevert**” means Cannevert Therapeutics Ltd., a wholly owned subsidiary of Veritas which was incorporated under the BCBCA on June 23, 2014.

“**BCBA**” means the *Canada Business Corporations Act*, as amended.

“**CBD**” means cannabidiol, the non-psychoactive cannabinoid found in cannabis, including hemp.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**Circular**” means this Circular of Veritas, including all appendices and schedules hereto, and all amendments and supplements thereto.

“**Computershare**” means Computershare Investor Services Inc., Veritas’s registrar and transfer agent.

“**Consolidated Veritas Common Shares**” means the common shares of Veritas as such shares are constituted following the Consolidation.

“**Consolidation**” means the share consolidation of the Veritas Common Shares on the basis of two (2) Veritas Common Shares for one (1) Consolidated Veritas Common Share.

“**Consolidation Resolution**” means the special resolution of Shareholders to be considered at the Meeting to approve the Consolidation.

“**CSE**” means the Canadian Securities Exchange.

“**CSE Listing**” means the listing of the Resulting Issuer Shares on the CSE.

“**Effective Date**” means the date of completion of the Amalgamation, which shall be the date of the Certificate of Amalgamation for the Amalgamation pursuant to the provisions of the BCBA.

“**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date, or such other time as Veritas and Hempco may agree upon in writing.

“**Exchange Ratio**” means for each issued and outstanding Hempco Share, that number of Consolidated Veritas Common Shares as is determined on the basis of the following: $\$28,000,000 \div \text{closing price of Consolidated Veritas Common Shares on the CSE on the last trading day prior to the Effective Date} \div \text{number of issued and outstanding Hempco Shares immediately prior to the Effective Time} = \text{number of Consolidated Veritas Common Shares issuable for each Hempco Share}$.

“**Governmental Entity**” means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal,

commission, board or agency, domestic or foreign, or (b) regulatory authority, including any securities commission, or stock exchange, including the CSE.

“**Hempco**” means Indigenous Bloom Hemp Corporation, a corporation incorporated under the CBCA on July 31, 2019.

“**Hempco MD&A**” means the management’s discussion and analysis for Hempco in relation to the audited annual financial statements of Hempco for the period from July 31, 2019 (date of incorporation) to May 31, 2020 and in relation to the unaudited interim financial statements of Hempco for the six month period ended November 30, 2020.

“**Hempco Meeting**” means the special meeting of the shareholders of Hempco to approve the Amalgamation, and certain other matters.

“**Hempco Shareholders**” means holders of Hempco Shares.

“**Hempco Shares**” means the Class A voting common shares of Hempco.

“**IFRS**” means International Financial Reporting Standards.

“**Industrial Hemp Regulations**” means the *Industrial Hemp Regulations* promulgated under the Cannabis Act.

“**Intermediary**” or “**Intermediaries**” has the meaning ascribed thereto under “*General Information – Information Contained in this Circular*”.

“**Law**” means any applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, or other requirements of any regulatory authority having the force of law.

“**Listing Statement**” means the CSE-required listing statement of Veritas in connection with the Amalgamation.

“**Management Appointees**” means those persons named in the Proxy to vote Proxies on behalf of management of Veritas at the Meeting.

“**Meeting**” has the meaning ascribed thereto in “General Information”.

“**MI 61-101**” means Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions.

“**Named Executive Officer**” or “**NEO**” has the meaning ascribed to such term under “*Statement of Executive Compensation*”.

“**Newco**” means 12302161 Canada Inc., a corporation incorporated pursuant to the CBCA on August 28, 2020 and a wholly-owned subsidiary of Veritas.

“**NI 52-110**” means National Instrument 54-110 – Audit Committees.

“**NI 54-101**” means National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer.

“**person**” means an individual, general partnership, limited partnership, corporation, company, limited liability company, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative.

“**Proxy**” has the meaning ascribed thereto in “General Proxy Information – Appointment of Proxyholder”.

“**Record Date**” means March 1, 2021, the date fixed for determining the Shareholders entitled to receive notice of, and to vote at, the Meeting.

“**Registered Shareholder**” means a Registered Shareholder of Veritas Common Shares as recorded in the central securities register of Veritas maintained by Computershare.

“**Regulatory Approval**” means any approval, consent, waiver, permit, order or exemption from any Governmental Authority having jurisdiction or authority over any person which is required or advisable to be obtained in order to permit the Amalgamation to be effected and “**Regulatory Approvals**” means all such approvals, consents, waivers, permits, orders or exemptions.

“**Resulting Issuer**” means Veritas after completion of the Amalgamation, which will be renamed “Indigenous Bloom Hemp Corp.”

“**Securities Act**” means the *Securities Act* (British Columbia), as amended.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

“**Shareholders**” means holders of Veritas Common Shares.

“**SOM**” means Sechelt Organic Marijuana Corp., a wholly owned subsidiary of Veritas which was incorporated under the BCBCA on April 16, 2014.

“**Subsidiary**” means, with respect to a person, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class will or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such person and will include any body corporate, partnership, joint venture or other entity over which it exercises direction or control or which is in a like relation to a subsidiary.

“**THC**” means tetrahydrocannabinol.

“**United States**” or “**USA**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“**Valuation Report**” means the valuation report titled “*Fair Market Value of the Shares of Indigenous Bloom Hemp Corp.*” dated August 31, 2020 prepared for the Company by the Valuator.

“**Valuator**” means Maarschalk Valuations Inc. of Kelowna, British Columbia.

“Veritas” or the **“Company”** means Veritas Pharma Inc, a company incorporated under the BCBCA on May 14, 2014.

“Veritas Common Shares” means the common shares of Veritas as such shares are constituted prior to the Consolidation.

“Veritas MD&A” means the management’s discussion and analysis for Veritas in relation to the audited annual consolidated financial statements of Veritas for the year ended April 30, 2020 and in relation to the unaudited interim consolidated financial statements of Veritas for the six months ended October 31, 2020.

THE AMALGAMATION

Acquisition of Hempco

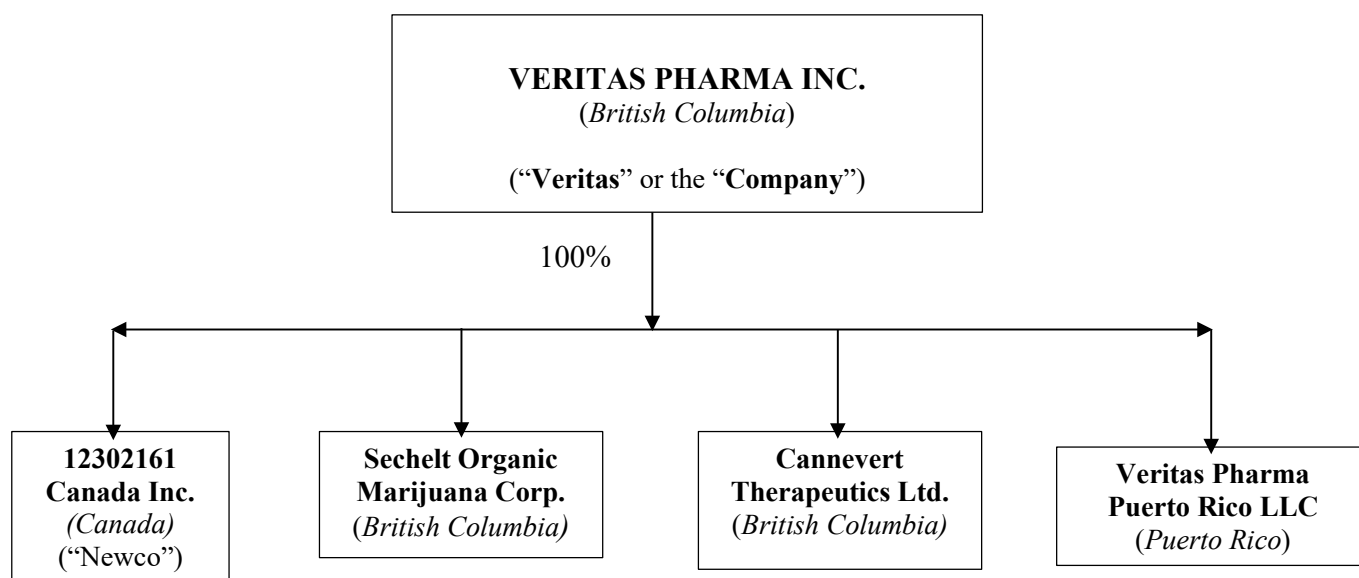
Veritas, Hempco and Newco (a wholly-owned subsidiary of Veritas) entered into the Business Combination Agreement and the Amalgamation Agreement which provides for the Amalgamation and for Veritas to thereby acquire all of the outstanding Hempco Shares, with Hempco Shareholders to receive Consolidated Veritas Common Shares valued at \$28,000,000, such number of shares to be determined on the basis of the Exchange Ratio. Pursuant to the Amalgamation, Newco and Hempco will amalgamate to form Newco, which will be a wholly-owned subsidiary of Veritas. Newco will be named Indigenous Bloom Hemp Corporation and Veritas will change its name to Indigenous Bloom Hemp Corp. The Amalgamation, which is an arm's length transaction, constitutes a fundamental change of Veritas pursuant to the policies of the CSE, and in accordance with CSE Policy 8, trading in the Veritas Common Shares has been halted pending the acceptance and posting of certain documents as required by CSE Policy 8.

Since the Exchange Ratio will be based on the closing price of the Consolidated Veritas Common Shares on the CSE on the last trading day prior to the Effective Date, the actual number of Consolidated Veritas Common Shares to be issued to the Hempco Shareholders pursuant to the Amalgamation cannot be determined as of the date of this Circular. However, based on the last closing price of the Veritas Common Shares on the CSE prior to the trading halt (\$0.15) multiplied by the Consolidation ratio of 2:1 (\$0.30), an estimated 93,333,333 Consolidated Veritas Common Shares would be issued to the Hempco Shareholders pursuant to the Amalgamation.

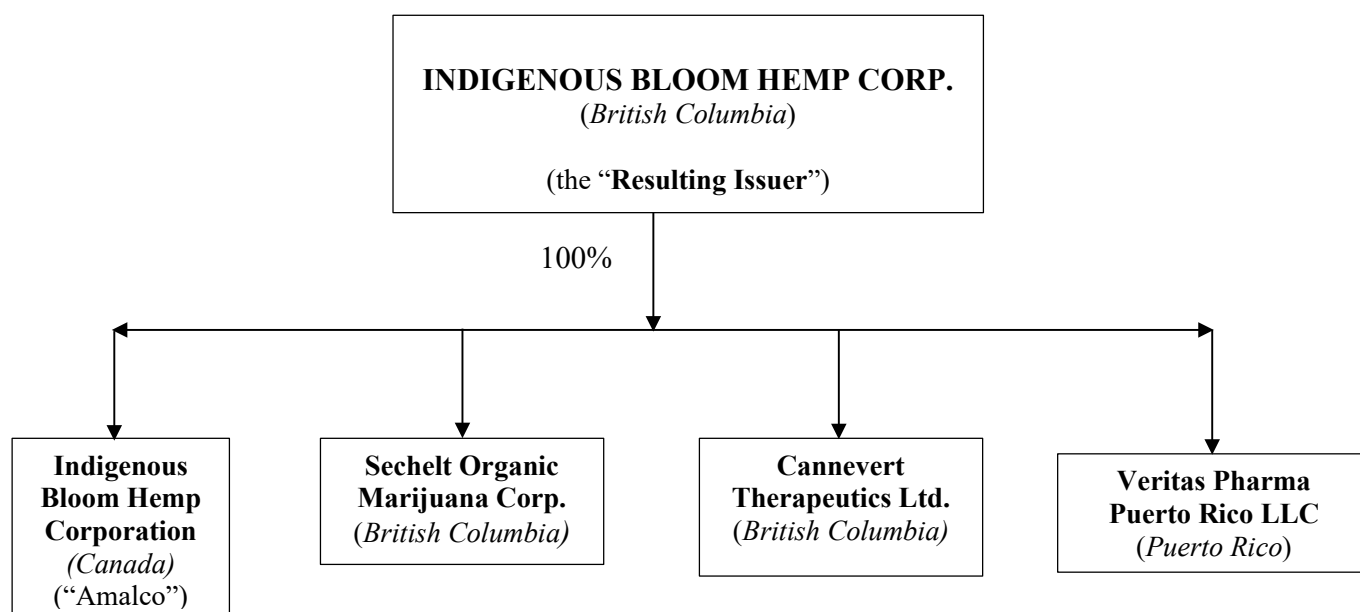
Certain of the Consolidated Veritas Common Shares held by the current Hempco Shareholders will be subject to escrow conditions as required by applicable CSE policy. See "*Appendix D – Information Concerning the Resulting Issuer – Escrowed Securities.*"

Concurrently with the Effective Date, the Board of Directors of Veritas intend to change the name of the Company to "Indigenous Bloom Hemp Corp."

The chart below illustrates the corporate structure of Veritas prior to the completion of the Amalgamation.



The chart below illustrates the corporate structure of the Resulting Issuer immediately following the completion of the Amalgamation.



The descriptions of the Business Combination Agreement and the Amalgamation Agreement in this Circular are summaries only, are not exhaustive and are qualified in their entirety by reference to the terms of the Business Combination Agreement and the Amalgamation Agreement, which are available on Veritas’s SEDAR profile at www.sedar.com and which are incorporated by reference herein.

Valuation Report

Within the scope, assumptions and limitations of its engagement, the Valuator concluded that the fair market value of Hempco’s business enterprise on August 31, 2020 was in the range of \$25,500,000 to \$31,800,000. This is the estimated value of the net business assets of Hempco (including goodwill), before taking account of assumed and contingent liabilities. After deducting long-term loans and long-term lease liabilities and making a notional adjustment for the latent or notional tax on goodwill, the Valuator concluded that the fair market value of Hempco’s shares on August 31, 2020 was in the range \$24,000,000 to \$30,000,000. The Valuator’s calculations are contained in the Valuation Report, a copy of which is available under the Company’s profile on the SEDAR website at www.sedar.com.

Fair market value (FMV) is value in a “fair” market and for the purposes of the Valuation Report is defined as “the highest price available in an open and unrestricted market, between informed and prudent parties, acting at arm’s length and under no compulsion to act. Fair market value is expressed in terms of current cash or money’s worth.” FMV is a notional concept and its calculation does not involve exposing the business to the market for sale. FMV is not the same as price. The price at which a business may ultimately be sold is influenced by many factors, such as unique negotiating positions, non-cash settlement terms or differing motivations for undertaking the sale, which are not usually considered in determining FMV.

In the calculation of the fair market value of the shares of Hempco, the Valuator used the discounted cashflow method. This method is considered suitable for businesses that have limited financial history, but which are expected to generate strong cash flows for at least the next few years, within a changing risk environment.

Key assumptions made in the Valuation Report include the following:

1. That all contracts required for the fulfillment of management's projections, none of which were verified by the Valuator, will be in place in a timely manner and that the crop will be grown, processed and sold commencing in the 2021 calendar year;
2. That management's inputs used for the base case scenario are broadly achievable, notwithstanding that it is realistic to expect some variations and shortfalls
3. That production will reach full capacity in 2021;
4. That the final market for Hempco's products will be sufficient to absorb all of HEMPCO's production of oil starting in 2021;
5. That the impact of the Covid-19 pandemic on Hempco's business would be limited.

Shareholder Approval

Under the policies of the CSE, the Amalgamation is considered to be a "fundamental change". The policies of the CSE require that a "fundamental change" must be approved by the Shareholders prior to completion of the Amalgamation in order to qualify the Consolidated Veritas Common Shares for Listing. Accordingly, at the Meeting, Shareholders will be asked to consider the Amalgamation Resolution, which is an ordinary resolution, to approve the Amalgamation. The full text of the Amalgamation Resolution is set forth in Appendix B to this Circular.

Lorne Mark Roseborough, the Chairman of the Board and a director of Veritas, Blair Lowther, a director of Veritas, Sharon Blady, a director of Veritas, Peter McFadden, the Interim CEO and CFO of Veritas and Michael Matvieshen, who holds more than 10% of the issued and outstanding Veritas Common Shares, are also shareholders of Hempco (the foregoing collectively the "**Interested Parties**"). Mr. Roseborough owns 2,414,214 Hempco Shares representing 12.07% of the issued and outstanding Hempco Shares, Mr. Lowther owns 345,266 Hempco Shares representing 1.73% of the issued and outstanding Hempco Shares, Ms. Blady owns 226,415 Hempco Shares representing 1.13% of the issued and outstanding Hempco Shares, Mr. McFadden owns 322,624 Hempco Shares representing 1.61% of the issued and outstanding Hempco Shares and Mr. Matvieshen owns, or controls or directs, directly or indirectly, 3,432,387 Hempco Shares representing 17.16% of the issued and outstanding Hempco Shares. For information on the number of Consolidated Veritas Common Shares each of them will hold on completion of the Amalgamation refer to "*Appendix D – Information Concerning the Resulting Issuer – Escrowed Securities.*"

The Amalgamation constitutes a "related party transaction" in accordance with the provisions of MI 61-101 and, unless exemptions are available, would require a formal valuation and minority approval of Shareholders. Veritas has an exemption from the formal valuation requirements of MI 61-101 under section 5.5(b) thereof in that no securities of Veritas are listed on the Toronto Stock

Exchange, Aequis NEO Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock market, or a stock exchange outside of Canada and the United States other than the Alternative Investment market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

Pursuant to the minority shareholder approval requirements of MI 61-101, the votes attached to Veritas Common Shares which are beneficially owned by, or over which control or direction is exercised by, the Interested Parties, will be excluded from voting on the Arrangement Resolution. The total number of votes which will be excluded is 4,213,813 votes representing 25.24% of the votes attached to all of the issued and outstanding Veritas Common Shares (Bair Lowther – 560,000 Veritas Common Shares; Peter McFadden – 553,813 Veritas Common Shares; Michael Matviashen – 3,100,000 Veritas Common Shares). To be effective, the Amalgamation Resolution must be approved by a simple majority of affirmative votes cast by the Shareholders, other than the Interested Parties, present in person or represented by proxy at the Meeting and entitled to vote thereat.

Amalgamation Effective Date

If the Amalgamation Resolution is passed, and all other conditions disclosed under the heading “*The Business Combination Agreement - Conditions to Closing the Amalgamation and Required Approvals*” herein are satisfied or waived, the Amalgamation will become effective on a date determined by Hempco and Veritas. Veritas and Hempco currently expect that the Amalgamation will be completed on or about April 13, 2021.

Recommendation of the Board

AFTER CAREFUL CONSIDERATION, THE BOARD, WITH LORNE MARK ROSEBOROUGH, BLAIR LOWTHER AND SHARON BLADY ABSTAINING, UNANIMOUSLY DETERMINED THAT THE AMALGAMATION IS FAIR TO THE SHAREHOLDERS, AND IS IN THE BEST INTERESTS OF VERITAS AND UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE **FOR** THE AMALGAMATION RESOLUTION.

Reasons for the Amalgamation and Recommendations

In making its determination and recommendations, the Board consulted with Veritas’s management and advisers and considered the Amalgamation with reference to the general industry, economic and market conditions as well as the financial condition of Veritas, its future prospects, strategic alternatives, competitive position and the risks related to Veritas’s ongoing financing requirements.

In making its determination and recommendations, the Board, in consultation with Veritas’s management and advisors, considered a number of potential issues regarding the Amalgamation and the risks (as described in greater detail under the heading “*Risk Factors*”) relating to the Amalgamation, including:

1. the risks to the Company and the Shareholders if the Amalgamation is not completed, including the costs to the Company of pursuing the Amalgamation and the diversion of the

Company's management from the conduct of the Company's business in the ordinary course;

2. Veritas may not have been able to verify the reliability of all information regarding Hempco included in this Circular and information not known to Veritas may result in unanticipated liabilities or expenses, or adversely affect the operating plans of the Resulting Issuer and its results of operations and financial condition;
3. Veritas and Hempco may fail to realize the anticipated benefits of the Amalgamation;
4. the Consolidation and the dilutive effect on the interests of the Shareholders;
5. the conditions to Hempco's obligations to complete the Amalgamation; and
6. the right of Hempco to terminate the Amalgamation under certain circumstances.

The Board's reasons for recommending the approval of the Amalgamation Resolution include certain assumptions relating to forward-looking information, and such information and assumptions, are subject to various risks. The Board believes that, overall, the anticipated benefits of the Amalgamation to Veritas outweigh these risks and negative factors. See "*Cautionary Notice Regarding Forward-Looking Statements*", the heading "*Risk Factors*" in this Circular and "*Appendix D – Information Concerning the Resulting Issuer – Risk Factors*".

The foregoing summary of information and factors considered by the Board is not intended to be exhaustive. In view of the variety of factors and the amount of information considered in connection with its evaluation of the Amalgamation, the Board did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its determination and recommendation. The Board's recommendations were made after considering all of the above-noted factors and in light of its knowledge of the business, financial condition and prospects of Veritas, and was also based on the advice of advisors. Individual directors may have assigned or given different weights to different factors. **The Board was, however, unanimous (with Lorne mark Roseborough, Blair Lowther and Sharon Blady abstaining) in its determination that the Amalgamation is in the best interests of Veritas and the Shareholders and in its recommendation that Shareholders vote IN FAVOUR OF the Amalgamation Resolution.**

THE BUSINESS COMBINATION AGREEMENT

On September 4, 2020, Veritas, Hempco and Newco entered into the Business Combination Agreement, which was amended effective February 17, 2021, and on February 17, 2021 Veritas, Hempco and Newco entered into the Amalgamation Agreement, pursuant to which and subject to the terms and conditions therein, Hempco and Newco would amalgamate and Veritas would thereby acquire all of the issued and outstanding Hempco Shares. Pursuant to the Amalgamation, Hempco Shareholders will receive Consolidated Veritas Common Shares having an aggregate value of \$28,000,000 in exchange for their Hempco Shares, the number of such Consolidated Veritas Common Shares to be determined in accordance with the Exchange Ratio. Upon completion of the Amalgamation, Hempco Shareholders will all become shareholders of Veritas. The terms of the Business Combination agreement and the Amalgamation Agreement are the result

of arm's-length negotiations between Veritas and Hempco with the assistance of their respective advisors.

The following is a summary of certain material terms of the Business Combination Agreement and the Amalgamation Agreement. This summary does not contain all of the information about the Business Combination Agreement and the Amalgamation Agreement. Therefore, Shareholders should read both the Business Combination Agreement and the Amalgamation Agreement carefully and in their entirety, as the rights and obligations of Veritas and Hempco are governed by the express terms of those agreements and not by this summary or any other information contained in this Circular.

Amalgamation

Subject to the terms and conditions of the Business Combination Agreement and the Amalgamation Agreement, at the Effective Time, Hempco and Newco are to amalgamate to form Amalco and every Hempco Share prior to the Amalgamation shall entitle the holder thereof to be issued and to receive that number of Consolidated Veritas Common Shares as is determined in accordance with the Exchange Ratio, such Consolidated Veritas Common Shares to have an aggregate value of \$28,000,000. Concurrently with the Effective Date, the Board of Directors of Veritas intend to change the name of the Company to "Indigenous Bloom Hemp Corp."

Conditions to Closing the Amalgamation and Required Approvals

The Amalgamation is subject to a number of approvals and conditions prior to its implementation, including, but not limited to the following:

- (a) Veritas shall have completed the Consolidation;
- (b) all Regulatory Approvals, including the approval of the CSE, for the Amalgamation shall have been obtained;
- (c) the Amalgamation shall have been approved by the Hempco Shareholders by way of a special resolution at the Hempco Meeting in accordance with the provisions of the CBCA;
- (d) at the Meeting, the Amalgamation shall have been approved by the Shareholders by way of an ordinary resolution and the Consolidation shall have been approved by the Shareholders by way of a Special Resolution;
- (e) a special resolution of Veritas, as the sole shareholder of Newco, shall have been approved in accordance with the provisions of the CBCA;
- (f) neither Veritas nor Hempco shall have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under the Business Combination Agreement, and all representations and warranties of Veritas and Hempco contained in the Business Combination Agreement shall have been true and correct in all material respects as of the date of the Business Combination Agreement and shall not have ceased to be true and correct in any material respect thereafter;

- (g) the board of directors of Veritas shall include two (2) nominees of Hempco; and
- (h) neither the Business Combination Agreement nor the Amalgamation Agreement shall have been terminated.

Representations and Warranties

The Business Combination Agreement contains representations and warranties made by and to Veritas and Hempco, respectively, for the purposes of the Amalgamation (and not to other parties such as the Shareholders) and are subject to qualifications and limitations agreed to by the parties in connection with negotiating and entering into the Business Combination Agreement. In addition, those representations and warranties which were made as of specified dates, may be subject to a contractual standard of materiality different from what may be viewed as material to Shareholders, or may have been used for the purpose of allocating risk between the parties instead of establishing such matters as facts. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Business Combination Agreement.

Veritas has provided to Hempco representations and warranties that include the following: organization and incorporation, authority relative to the Business Combination Agreement, no violation, capitalization, reporting status and securities laws matters, public filings, financial statements, ownership of subsidiaries, books and records, minute books, no proceedings, no undisclosed liabilities, no material change, litigation, accuracy of information, no payments, taxes, issuance of Veritas securities, permits, assets, condition of certain assets, qualification to do business, sanctions, intellectual property, material contracts, compliance with applicable laws, employment matters, related-party transactions, restrictions on business activities, authorizations and consents, regulatory proceedings and no cease-trade.

Hempco has provided to Veritas representations and warranties that include the following: organization and incorporation, authority relative to the Amalgamation Agreement, no violation, capitalization, financial statements, ownership of subsidiaries, non-reporting issuer, books and records, minute books, no proceedings, no undisclosed liabilities, no material change, litigation, accuracy of information, no payments, taxes, permits, assets, condition of certain assets, qualification to do business, sanctions, intellectual property, material contracts, owned real property, leased real property, environmental matters, compliance with applicable laws, employment matters, related-party transactions, restrictions on business activities, authorizations and consents and regulatory proceedings.

Covenants

Pursuant to the Business Combination Agreement, Veritas and Hempco have covenanted and agreed that until the termination of the Business Combination Agreement each of them will:

- (a) not take any action, or fail to take any action, which would or may reasonably be expected to result in their representations and warranties set out in the Business Combination Agreement being untrue in any material respect;

- (b) promptly notify the other party in writing of:
 - (i) any material change (actual, anticipated, contemplated or, to the knowledge of such party or any of its Subsidiaries, threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of such party and its Subsidiaries, taken as whole;
 - (ii) any change in the facts relating to any representation or warranty set out in the Business Combination Agreement, as applicable, which change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect; or
 - (iii) any material fact which arises and which would have been required to be stated in the Business Combination Agreement had the fact arisen on or prior to the date of the Business Combination Agreement.
- (c) in good faith discuss with the other party any change in circumstances (actual, anticipated, contemplated or, to its knowledge of its or any of its Subsidiaries, threatened, financial or otherwise) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other party;
- (d) not solicit any offers to purchase its shares or assets or initiate or encourage any discussions or negotiations with any third party with respect to such a transaction or amalgamation, merger, take-over, plan of arrangement or similar transaction;
- (e) use all commercially reasonable efforts to consummate the Amalgamation;
- (f) use all commercially reasonable efforts to obtain all appropriate Regulatory Approvals;
- (g) not, other than in connection with the Amalgamation or Consolidation, split, consolidate or reclassify any of its outstanding securities, nor declare, set aside or pay any dividends on or make any other distributions on or in respect of its outstanding securities; and
- (h) not, other than in connection with the Amalgamation, reorganize, amalgamate or merge with any other person, nor acquire by amalgamating, merging or consolidating with, purchasing a majority of the voting securities or substantially all of the assets of or otherwise, any business or person, which acquisition or other transaction would reasonably be expected to prevent or materially delay the Amalgamation.

Termination

The Business Combination Agreement may, by written notice given at any time before the Effective Time, be terminated by:

- (a) mutual agreement of Veritas and Hempco;

- (b) either Veritas or Hempco upon notice to the other in the event that any condition set forth in Article 7 of the Business Combination Agreement for their benefit, as applicable, is not satisfied to the satisfaction of such party prior to June 30, 2021 (or such later date as may be agreed upon) or becomes incapable of being satisfied and such party does not waive such condition.

THE CONSOLIDATION

Share Consolidation

One of the conditions to closing of the Amalgamation is that Veritas first complete the Consolidation. The Consolidation is subject to Shareholder approval. The Consolidation will not change a Shareholder's proportionate ownership in the Company or the rights of holders of Veritas Common Shares. Each whole Consolidated Veritas Common Share outstanding after the Consolidation will be entitled to one vote and will be fully paid and non-assessable. No fractional Consolidated Veritas Common Shares will be issued upon effecting the Consolidation. If as a result of the Consolidation, a holder of Veritas Common Shares would otherwise be entitled to a fraction of a Consolidated Veritas Common Share, any fraction, if it is less than one half of a Veritas Common Share, shall be cancelled, and if it is at least one half of a Veritas Common Share, shall be rounded up to one whole Consolidated Veritas Common Share. As a result of the Consolidation, there will be certain consequential amendments to outstanding options and warrants to acquire Veritas Common Shares to preserve proportionately the rights of holders of such securities. Non-registered Shareholders holding their Veritas Common Shares through a bank, broker or other nominee should note that such banks, brokers or nominees may have various procedures for processing the Consolidation. If a Shareholder holds Veritas Common Shares with such a bank, broker or nominee and has any questions in this regard, this Shareholder is encouraged to contact them.

Shareholder Approval

The Articles of the Company provide that a special resolution is required to approve the Consolidation. Accordingly, at the Meeting, Shareholders will be asked to consider the Consolidation Resolution, the full text of which is set on Appendix B to this Circular.

To be effective, the Amalgamation Resolution must be approved by at least two-thirds (2/3) of affirmative votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereat.

Consolidation Effective Date

The Consolidation will not become effective unless the Amalgamation Resolution is passed. If both the Amalgamation Resolution and Consolidation Resolution are passed, the Consolidation will become effective on a date determined by Veritas, which Veritas currently expects would be within five (5) Business Days of the Effective Date.

Recommendation of the Board

THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE **FOR** THE CONSOLIDATION RESOLUTION.

SECURITIES LAWS CONSIDERATIONS

This summary is of a general nature only and is not intended to be, and should not be construed to be, legal or business advice to any particular Shareholder. This summary does not include any information regarding securities law considerations for jurisdictions other than Canada. Shareholders are urged to obtain independent advice in respect of the consequences to them of the Amalgamation having regard to their particular circumstances.

The following is a brief summary of the Canadian Securities Laws considerations applicable to the Amalgamation and the transactions contemplated thereby.

Canadian Securities Laws

Veritas is a reporting issuer in British Columbia, Alberta and Ontario. The Veritas Common Shares commenced trading on the CSE on August 12, 2014 and are currently listed on the CSE. Trading was halted on September 8, 2020 pursuant to CSE policies pending the acceptance and filing of certain documents.

The Consolidated Veritas Common Shares to be issued in exchange for Hempco Shares pursuant to the Amalgamation will be issued in reliance upon exemptions from the prospectus requirements of securities legislation in each province and territory of Canada. Subject to certain disclosure and regulatory requirements and to customary restrictions applicable to distributions of shares that constitute “control distributions”, and subject to CSE escrow requirements set out in CSE Policy 8, Consolidated Veritas Common Shares issued pursuant to the Amalgamation will be freely tradeable and may be resold in each province and territory in Canada.

RISK FACTORS

Completion of the Amalgamation is subject to certain risks. In addition to the risk factors described in each of the Veritas MD&A, (which is specifically incorporated by reference into this Circular) and the Hempco MD&A, attached hereto as Schedule B to Appendix C, and the risk factors described in Appendix D, the following are additional and supplemental risk factors which Shareholders should carefully consider before making a decision to approve the Amalgamation Resolution. Readers are cautioned that such risk factors are not exhaustive.

Veritas and Hempco may not satisfy all regulatory requirements or obtain the necessary approvals for completion of the Amalgamation on satisfactory terms or at all

Completion of the Amalgamation is subject to the satisfaction of certain regulatory requirements and the receipt of all necessary regulatory approvals, the Shareholder approval of both the Amalgamation Resolution and the Consolidation Resolution, approval of the Amalgamation by the Hempco Shareholders, and the approval of the CSE. There can be no certainty, nor can any party provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of Hempco, or the trading price of Consolidated Veritas Common Shares, after completion of the Amalgamation. Moreover, if the Business Combination Agreement is terminated, there is no assurance that the Board will be able to find another transaction to pursue.

The market price for Veritas Common Shares may decline

If the Amalgamation Resolution is not approved by the Shareholders, the market price of the Veritas Common Shares may decline. If the Amalgamation Resolution is not approved by the Shareholders, and the Board decides to seek another business combination, there can be no assurance that Veritas will be able to find a transaction as attractive to Veritas as the Amalgamation.

Hempco and Veritas expect to incur significant costs associated with the Amalgamation

Hempco and Veritas will collectively incur significant direct transaction costs in connection with the Amalgamation. Actual direct transaction costs incurred in connection with the Amalgamation may be higher than expected. In addition, certain of the costs of both Hempco and Veritas related to the Amalgamation, including legal, financial advisory services, accounting, printing and mailing costs, must be paid even if the Amalgamation is not completed.

If the Amalgamation is not completed, Veritas's future business and operations could be harmed

If the Amalgamation is not completed, Veritas may be subject to a number of additional material risks, including the following:

- Veritas may have lost other opportunities that would have otherwise been available had the Amalgamation Agreement not been executed, including, without limitation, opportunities not pursued as a result of affirmative and negative covenants made by it in the Amalgamation Agreement, such as covenants affecting the conduct of its business outside the ordinary course of business; and
- Veritas may be unable to obtain additional sources of financing or conclude another sale, merger or amalgamation on as favourable terms as the Amalgamation, in a timely manner, or at all.

Veritas has not verified the information regarding Hempco included in, or which may have been omitted from, this Circular

All historical information regarding Hempco contained in this Circular, including all Hempco financial information, has been provided by Hempco. Although Veritas has no reason to doubt the accuracy or completeness of such information, any inaccuracy or material omission in the information about or relating to Hempco contained in this Circular could result in unanticipated liabilities or expenses, increase the cost of integrating the companies or adversely affect the operational plans of Hempco and its results of operations and financial condition.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. The Company has arranged for Intermediaries to forward the meeting materials to beneficial owners of Veritas Common Shares held as of record by those Intermediaries

and the Company may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

Record Date

The directors of Veritas have fixed March 1, 2021 as the Record Date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting.

Appointment of Proxyholder

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and/or directors of the Company. **IF YOU ARE A SHAREHOLDER ENTITLED TO VOTE AT THE MEETING, YOU HAVE THE RIGHT TO APPOINT A PERSON OR COMPANY OTHER THAN EITHER OF THE PERSONS DESIGNATED IN THE PROXY, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT FOR YOU AND ON YOUR BEHALF AT THE MEETING. YOU MAY DO SO EITHER BY STRIKING OUT THE NAMES OF MANAGEMENT’S NOMINEES AND INSERTING THE NAME OF THAT OTHER PERSON IN THE BLANK SPACE PROVIDED IN THE PROXY OR BY COMPLETING AND DELIVERING ANOTHER SUITABLE FORM OF PROXY.** If your Veritas Common Shares are held in physical form (i.e., paper form) and are registered in your name, then you are a registered shareholder (“**Registered Shareholder**”). However, if, like most shareholders, you keep your Veritas Common Shares in a brokerage account, then you are a Beneficial Shareholder. The manner for voting is different for Registered Shareholders and Beneficial Shareholders. The instructions below should be read carefully by all shareholders.

Voting by Proxyholder

The Management Appointees named in the Proxy will vote or withhold from voting the Veritas Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Veritas Common Shares will be voted accordingly. The Proxy confers discretionary authority on the Management Appointees named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the Management Appointee acting as a proxyholder will vote the Veritas Common Shares represented by the Proxy in favour of each matter identified on the Proxy.

Notice and Access

The Company is not sending this Circular to registered or beneficial shareholders using “notice-and-access” as defined under NI 54-101.

Registered Shareholders

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1, or by hand delivery to the 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada, V6C 3B9;
- (b) using a touch-tone phone to transmit voting choices to a toll-free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the holder's account number and the Proxy control number; or
- (c) using the Internet through the website of the Company's transfer agent at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder's account number and the Proxy control number.

In all cases, Registered Shareholders should ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

Should you wish to contact Computershare, please refer to the following:

General Shareholder Inquiries:

By phone:	1-800-564-6253
By fax:	1-866-249-7775
By email:	service@computershare.com
By regular mail:	Computershare Investor Services Inc. 100 University Avenue, 8th Floor Toronto, Ontario, M5J 2Y1

Beneficial Shareholders

The following information is of significant importance to Shareholders who do not hold Veritas Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the Registered Shareholders of Veritas Common Shares).

If Veritas Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Veritas Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Veritas Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In the United States, the

vast majority of such Veritas Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for “**Objecting Beneficial Owners**”) and those who do not object to the issuers of the securities they own knowing who they are (called “**NOBOs**” for “**Non-Objecting Beneficial Owners**”).

Management of the Company does not intend to pay for Intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, and, in the case of an OBO, the OBO will not receive the materials unless the OBO’s Intermediary assumes the cost of delivery.

Every Intermediary that mails proxy-related materials to Beneficial Shareholders has its own mailing procedures and provides its own return instructions to clients. Beneficial Shareholders should follow the instructions of their Intermediary carefully to ensure that their Veritas Common Shares are voted at the Meeting.

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge mails a voting instruction form (the “**Broadridge VIF**”) which will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf. The Broadridge VIF will appoint the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Shareholder of the Company), other than the persons designated in the Broadridge VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Broadridge VIF. The completed Broadridge VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Veritas Common Shares to be represented at the Meeting. **If you receive a Broadridge VIF, you cannot use it to vote Veritas Common Shares directly at the Meeting – the Broadridge VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Veritas Common Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Veritas Common Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your Veritas Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Veritas Common Shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal Proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your Veritas Common Shares.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by:

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare or at the address of the registered office of the Company at Suite 3200, 650 West Georgia Street, Vancouver, British Columbia, V6B 4P7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the Registered Shareholder's Veritas Common Shares.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Board of Directors of the Company has fixed March 1, 2021 as the Record Date for determination of persons entitled to receive notice of, and to vote at, the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Veritas Common Shares voted at the Meeting.

As at the Record Date, there were 16,694,644 Veritas Common Shares issued and outstanding, each carrying the right to one vote.

On a show of hands, every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders will have one vote, and on a poll every Shareholder present in person or represented by a Proxy and every person who is a representative of one or more corporate Shareholders, will have one vote for each Veritas Common Share registered in that Shareholder's name on the list of Shareholders as at the Record Date, which is available for inspection during normal business hours at Computershare and will be available at the Meeting.

To the knowledge of the directors and executive officers of the Company, the only person who beneficially owns, directly or indirectly, or exercises control or direction over, Veritas Common

Shares carrying 10% or more of the voting rights attached to all outstanding Veritas Common Shares as at the Record Date is as follows:

Name and Municipality of Residence	Number of Veritas Common Shares Held	Percentage of Issued Veritas Common Shares
Michael Matvieshen ⁽¹⁾ Kelowna, BC	3,100,000	18.56%

⁽¹⁾ These shares are held indirectly through Aboriginal Power Corp., a corporation wholly owned by Mr. Matvieshen.

Votes Necessary to Pass Resolutions

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein save and except for the Consolidation Resolution which require a special majority of two thirds ($\frac{2}{3}$) of affirmative votes cast at the Meeting to be approved. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

INFORMATION CONCERNING VERITAS

Name and Incorporation

Veritas was incorporated on May 14, 2014 under the name "Seashore Organic Marijuana Corp. On September 20, 2014 the Company changed its name to "Seashore Organic Medicine Inc." and on December 29, 2015 the Company changed its name to "Veritas Pharma Inc." On February 12, 2019, the Company consolidated its common shares on the basis of one post-consolidation common share for every ten pre-consolidation common shares.

General Development of the Business

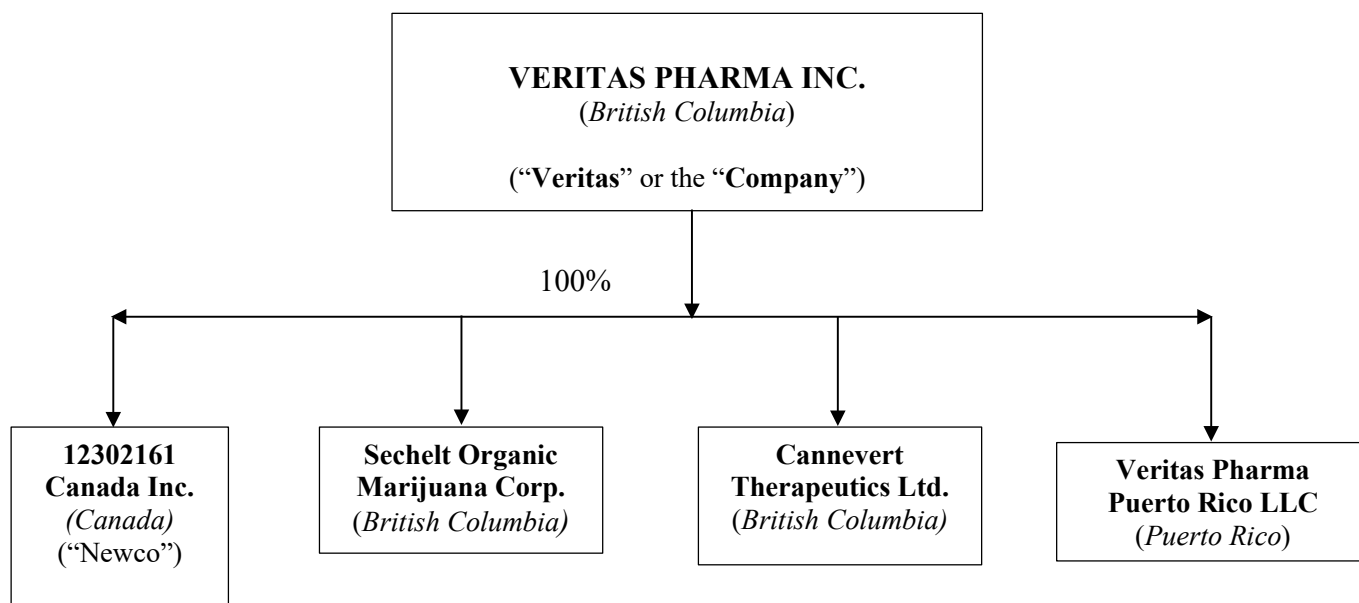
Prior to entering into the Business Combination Agreement, Veritas, through its wholly owned subsidiary Cannevert, was in the business of medical cannabis research. The Company, through Cannevert, had obtained three licences from Health Canada allowing it to conduct medical cannabis research, recognizing that there was a critical need for clinical data to support medical marijuana claims. The Company's aim was to develop the most effective cannabis strains (cultivars) specific to pain, nausea, epilepsy and PTSD. The licences were numbered LIC-CDL-042-2019-1 for Cannabis Drug License, LIC-X1RC8BQQL3-2019-1 for Analytical Testing and LIC LNK87CAWH-2019-1 for Research.

The Company's business model was to use a low-cost research and development model, bringing together veteran academic pharmacologists, anesthetists & chemists. Through Cannevert, the Company embarked on "proof of concept" clinical trials in San Juan, Puerto Rico with the mission to patent protect IP (cultivars & strains) and sell or license to cancer clinics, the insurance industry and pharma, targeting multi-billion-dollar markets.

The clinical trials ran from September through November 2019. This study was an initial proof-of-concept study to examine the safety, tolerability, and efficacy of Cannevert's lead medical

cannabis composition, CTL-X, in the alleviation of pain, in normal subjects, as induced by a painful stimulus designed to simulate acute pain. Initial analysis of the clinical trial data gave positive safety data for CTL-X, but limited efficacy of this cannabis blend in reducing simulated acute pain with trivial or no adverse effects. Further analysis of the data did not provide the anticipated results and the Company decided against furthering the clinical trials and development. All research and development was halted and the Cannevert's licenses were surrendered on December 31, 2020.

The chart below illustrates the corporate structure of Veritas prior to the completion of the Amalgamation.



Three Year History

Veritas completed three important purchases as part of its growth strategy as a medical cannabis research company:

1. The purchase of a 100% interest in SOM, which was completed on February 23, 2018, in consideration for 1,454,545 Veritas Common Shares valued at \$800,000. SOM had applied with Health Canada for a medical marijuana production and distribution license under the ACMPR which would allow it to grow its own new strains of cannabis for medical purposes and demonstrate additional medical benefits.
2. The purchase of a 100% interest in Cannevert, which was completed on March 21, 2018, in consideration for cash advances of \$1,500,000 and 500,000 Veritas Common Shares valued at \$2,700,000. Cannevert was managed by a group of chemists, pharmacologists and other medical professionals and acted as the research arm of the Company.
3. The purchase of a 50% interest in 3 Carbon, which was completed on August 27, 2018, in consideration for \$400,000 and 150,000 Veritas Common Shares valued at \$367,500. The purpose of the acquisition was for 3 Carbon to assist Veritas in its effort of producing medical cannabis extracts for sale to licensed producers and third parties focused on

conducting further clinical investigations. On June 25, 2019, Veritas disposed of its interest in 3 Carbon to a former director for \$375,000.

The Company has funded its operations with proceeds from equity financings and expects to seek additional funding through equity financings to finance its growth initiatives. However, if capital market conditions in general or with respect to the sector or development stage companies such as Veritas are unfavorable, its ability to obtain additional investment will be adversely affected. Veritas is currently looking for potential revenue streams. The acquisition of HempCo is anticipated to give Veritas a future revenue stream.

The following table shows selected financial information of the Company for the fiscal years ended April 30, 2020, 2019, and 2018. These tables should be read in conjunction with the audited consolidated financial statements for the Company which are available under the Company's profile on the SEDAR website at www.sedar.com.

	Year Ended April 30, 2020	Year Ended April 30, 2019	Year Ended April 30, 2018
	(\$)	(\$)	(\$)
Total expenses	1,732,805	3,239,277	13,110,720
Other expenses	49,683	8,659,513	891,141
Net loss	(1,782,488)	(11,898,790)	(14,001,861)
Basic and diluted net loss per share	(0.14)	(1.32)	(2.96)
	As at April 30, 2020	As at April 30, 2019	As at April 30, 2018
Total assets	15,109	757,954	4,665,740
Total liabilities	890,156	1,219,131	251,815

Recent Developments

On September 4, 2020, the Company, Hempco and Newco entered into the Business Combination Agreement, which was amended effective February 17, 2021, and on February 17, 2021, the Company, Hempco and Newco entered into the Amalgamation Agreement.

Upon completion of the Amalgamation, the directors and officers of Veritas will be the following:

Name	Title
Lorne Mark Roseborough	Chairman of the Board, CEO and Director
Peter McFadden	CFO
Blair Lowther	Director
Sharon Blady	Director
Howard Ash	Director
Greg Van Wyk	Director

The principal terms of the Amalgamation are as follows:

1. Veritas will complete the Consolidation, which will reduce the number of Veritas Common Shares issued and outstanding from 16,694,644 to 8,347,322 Consolidated Veritas Common Shares.
2. The Amalgamation will be structured as a triangular amalgamation, wherein Hempco will amalgamate with Newco and as a result of the Amalgamation, Veritas will thereby acquire all of the outstanding shares of Hempco in exchange for Consolidated Veritas Common Shares having a value of \$28,000,000, such number of Consolidated Veritas Common Shares to be determined on the basis of the Exchange Ratio.

For further information refer to “*The Amalgamation*” and “*The Amalgamation Agreement*”.

Description of the Business of the Company

General

After the Amalgamation, Veritas will, through Amalco, be engaged in the farming and cultivation of hemp biomass for third party processing. Amalco also intends to develop or acquire the rights to additional hemp products such as health supplements, nutritional products, food stuffs and beauty products, initially in Canada and it will then investigate other markets. Amalco will concentrate its efforts in the vertical and horizontal hemp markets. Hempco has acquired an exclusive worldwide license to technology for separating hemp and cannabis plant matter during the harvesting process that management of Hempco believes will provide a cost-effective, energy efficient, carbon neutral process of separation. The license was acquired pursuant to the Technology License Agreement described in “*Appendix C – Information Concerning Hempco – General Development of the Business of Hempco.*”

Bankruptcy and Similar Procedures

There is no bankruptcy, receivership, or similar proceedings against the Company, nor is the Company aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceedings by the Company within the three most recently completed financial years or currently proposed for the current financial year.

Legal Proceedings and Regulatory Actions

To the best of the Company’s knowledge, there are no legal proceedings as of the date of this Circular to which the Company is a party or of which any of the Company’s property is subject that would have a material adverse effect on the Company, nor are there any such legal proceedings contemplated. Other than the following:

- (a) On February 28, 2019, the Company filed a civil claim against Liht Cannabis Corp. (“**Liht**”) and certain of its affiliates for the recovery of a \$1,000,000 advance to Liht plus interest. The interest payable on the advance was to be 10% per annum compounded daily from June 25, 2018 through and including the date on which it was repaid in full. The advance was to be evidenced by a loan agreement, repayable within 90 days and secured by certain assets of Liht. The Company alleges that,

even though the Company advanced Liht the \$1,000,000, Liht refused to execute the loan agreement and security agreements and has took no steps to perfect the security for the advance. On August 28, 2018, the Company made demand for repayment of the \$1,000,000 plus accrued interest and again made demand on January 14, 2019. Liht has refused to return any portion of the \$1,000,000 and any interest or deliver any consideration for the advance. The civil claim is ongoing and the Company believes that the advance to Liht will be recovered, but the outcome cannot be reasonably determined at this time.

- (b) On June 26, 2019, the Company filed a civil claim against its former management for the breach of their fiduciary duty and duty of care to the Company with respect to the advance made to Liht. The civil claim is ongoing and the amount of any damages recoverable cannot be reasonable determined or estimated at this time.
- (c) On May 14, 2020, a civil claim was filed against the Company by a former employee. The former employee claimed \$114,061 in relief. On October 28, 2020, the Company and the former employee agreed to settle the claim. In settlement, the Company issued the former employee a convertible promissory note in the principal amount of \$85,000. The promissory note is non- interest bearing and will automatically convert into common shares of the Company at a price equal to the greater of: (i) the closing price of the Company's shares on the CSE on the first day on which the Company's shares are reinstated for trading on the CSE, less the maximum discount permitted by Policy 6 of the CSE; and (ii) \$0.15.

There have been no penalties or sanctions imposed against Veritas by a court relating to securities legislation or by a securities regulatory authority as of the date of this Circular, or any other time that would likely be considered important to a reasonable investor making an investment decision in Veritas. Veritas has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority as of the date of this Circular.

INFORMATION CONCERNING HEMPCO

For information regarding Hempco, please refer to Appendix C.

INFORMATION CONCERNING THE RESULTING ISSUER

For further information regarding Veritas and Hempco upon completion of the Amalgamation, please refer to Appendix D.

ANNUAL GENERAL MEETING MATTERS AND OTHER MATTERS

Setting Number of Directors

The Board proposes that the number of directors be fixed at five (5). Shareholders will therefore be asked to approve an ordinary resolution that determines the number of directors to be elected be fixed at five (5).

Election of Directors

The term of office of each of the current directors expires at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as a director, the province and country in which the nominee is ordinarily resident, all offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years, the period of time during which each has been a director of the Company and the number of Veritas Common Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Name of Nominee, Province and Country of Ordinary Residence and Positions Held with the Company	Principal Occupation, Business or Employment ⁽¹⁾	Director of the Company Since	Veritas Common Shares Beneficially Owned or Controlled, or Directed, Directly or Indirectly
Lorne Mark Roseborough ⁽²⁾ British Columbia, Canada Chairman of the Board and Director	Director of SunVault Energy, Inc. from January 2014 to present; President of Mohawk Oil Inc. from 2000 to 2003; Director of EPOD Solar Inc. from October, 2007 to January, 2010; Chief Executive Officer of Day Star Energy from 2012 to 2016.	August 2018	Nil
Blair Lowther ⁽²⁾ British Columbia, Canada Director	Executive Vice-President, Corporate Development & Legal and a Director of Santa Marta Life Sciences Corp. since May 2019; Executive Vice-President, Corporate Development & Legal of BlocPal International Inc. since May 2018; Director of Sport BC since May 2015; Lawyer at Miller Thomson LLP from September 2009 to August 2018.	December 2018	560,000
Sharon Blady ⁽²⁾ Manitoba, Canada Director	Principal of Sharon Blady & Associates, a consulting firm. Former Health Minister for the Province of Manitoba.	April 2020	Nil
Howard Ash Florida, USA No position at present	Chairman of Claridge Management, a private finance company.	N/A	Nil
Greg Van Wyk Alberta, Canada No position at present	Physician.	N/A	Nil

⁽¹⁾ The information as to principal occupation, business or employment and Veritas Common Shares beneficially owned or controlled, or directed, directly or indirectly, is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

⁽²⁾ Denotes member of Audit Committee.

None of the proposed directors of the Company is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and officers of the Company acting solely in such capacity.

Except as disclosed below, to the best of the Company's knowledge, as at the date of this Circular, and within the last 10 years before the date of this Circular, no proposed director (or any of their personal holding companies) of the Company was a director, CEO or CFO of any company (including the Company) that:

- (a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of more than 30 consecutive days, that was issued after the person ceased to be a director, CEO or CFO in the company and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

No director or executive officer of the Company, or a Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is as at the date of this Circular or has been within 10 years before the date of this Circular, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

None of the proposed directors (or any of their personal holding companies) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Lorne Mark Roseborough was a director of SunVault Energy, Inc. at the time it was subject to cease trade orders issued by the BCSC on June 6, 2014 and by the ASC on December 1, 2014 for

failure to file its interim financial statements. To date, the cease trade orders have not been revoked by the BCSC nor the ASC.

Appointment of Auditor

MNP LLP, Chartered Professional Accountants, of Vancouver, British Columbia, will be nominated at the Meeting for reappointment as auditor of the Company at a remuneration to be fixed by the directors. MNP LLP was first appointed as auditor of the Company on June 28, 2020.

THE AUDIT COMMITTEE

Under NI 52-110, a reporting issuer is required to provide disclosure with respect to its Audit Committee including the text of the Audit Committee's Charter, composition of the Committee, and the fees paid to the external auditor.

The Audit Committee's Charter

The text of the Company's Audit Committee's Charter is set out on Appendix A attached to this Circular.

Composition of the Audit Committee

The members of the audit committee are Lorne Mark Roseborough, Blair Lowther and Sharon Blady. Mr. Roseborough and Ms. Blady are considered to be independent. Mr. Lowther has received consulting fees from the Company and is not considered to be independent. All of the members are considered to be financially literate as such term is defined in NI 52-110. Under NI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

Lorne Mark Roseborough has been a director of the Company since August 2018. Mr. Roseborough was CEO and a Director of SunVault Energy Inc. He previously held the position as a Start-up Lead Executive for Dow Corning's \$1.2 billion Semiconductor plant in Clarksville, Tennessee. Mr. Roseborough was a director of EPOD Solar Inc. from October 2007 to January 2010. He also held management positions with EPOD Solar from 2003 and was promoted to vice-president and held that position from June 2008 until July 2009.

Mr. Roseborough was Vice-President of Manufacturing at Belcorp Industries, Inc. from 1992 to 2003. From November 1999 to 2003, he also held the position of President and CEO of Bluewater Fiber in Port Huron, Michigan (on behalf of owners Merrill Lynch and Cerberus Capital Partners) which was a large recycle pulp mill.

Blair Lowther has been a director of the Company since December 2018. Mr. Lowther has provided legal assistance to companies listed on the NYSE, TSX, TSXV and CSE. He has also been a member of the Finance & Audit committee for both Sport BC and Canada SCORES. Mr. Lowther has a BA (English/Economics) (2004) from the University of British Columbia, a JD from the University of British Columbia (2009) and is a member of the Law Society of British Columbia (2010).

Sharon Blady has been a Director of the company since April 2020 and is the former Manitoba Health Minister (2014-2016). She is also the founder of Speak Up: Mental Health Advocates and Sharon Blady & Associates (2017). As Health Minister, Ms. Blady oversaw a \$6B budget, worked with stakeholders, departments and frontline healthcare providers demonstrating interpersonal and systems analysis competencies and agility addressing issues management and strategic planning. Ms. Blady advanced progressive policy changes in a variety of healthcare sectors, including mental health and the expanded use of cannabis in preparation for legalization. In her previous role as Minister of Healthy Living (2013-2014), Ms. Blady focused on community collaboration in expanding preventative programs, establishing AFFIRM food security in Northern Manitoba, and supporting grassroots mental health organizations. Before being promoted into Cabinet, Ms. Blady crafted two pieces of first-in-Canada human rights legislation (2009 and 2011). Ms. Blady began her career as an academic, with interdisciplinary competencies driving her graduate research for her MA (1995) and PhD (2001). In addition to her role on the Veritas Pharma Board of Directors, Ms. Blady serves on a variety of volunteer boards in the health sector.

Each member of the Audit Committee has adequate education and experience that would provide the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year has the audit committee made any recommendations to the Board to nominate or compensate its auditor which were not adopted by the Board.

Pre-Approval Policies and Procedures

All services to be performed by the independent auditor of the Company must be approved in advance by the audit committee. The audit committee has considered whether the provisions of services other than audit services is compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these services. This policy requires that there be pre-approval by the audit committee of all audit and non-audit services provided by any external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
April 30, 2020	\$39,000	Nil	Nil	\$15,200
April 30, 2019	\$21,000	Nil	\$4,300	Nil

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

Exemption

The Company is relying upon the exemption provided by section 6.1 of NI 52-110 which exempts venture issuers (as defined therein) from the requirement of Part 3, (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of that instrument.

STATEMENT OF EXECUTIVE COMPENSATION

The following information of the Company is provided in accordance with Form 51-102F6V – Statement of Executive Compensation – Venture Issuers:

"**Compensation Securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and

restricted stock units granted or issued by the Company or one of its Subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its Subsidiaries;

“**Named Executive Officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, during any part of the Company’s financial year ended April 30, 2020, served as the chief executive officer (“**CEO**”) of the Company, including an individual performing functions similar to a CEO;
- (b) each individual who, during any part of the Company’s financial year ended April 30, 2020, served as chief financial officer (“**CFO**”) of the Company, including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its Subsidiaries, the most highly compensated executive officers other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year ended April 30, 2020 whose total compensation was more than \$150,000, as determined in accordance with subsection 1.2(5) of Form 51-102F6V, for the financial year ended April 30, 2020; and
- (d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, as at April 30, 2020.

Based on the foregoing definition, the Company has one Named Executive Officer during the year ended April 30, 2020, Peter McFadden, the Interim Chief Executive Officer and Chief Financial Officer.

Director and Named Executive Officer Compensation

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly to the Company’s Named Executive Officer and directors for each of the Company’s two (2) most recent completed financial years:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Year Ended April 30	Salary consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Pete McFadden Interim CEO and CFO	2020	120,000	Nil	Nil	Nil	Nil	120,000
	2019	40,000	Nil	Nil	Nil	Nil	40,000

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Year Ended April 30	Salary consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Lorne Mark Roseborough Chairman of the Board and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Blair Lowther Director	2020	60,000 ⁽⁴⁾	Nil	Nil	Nil	Nil	60,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Sharon Blady ⁽¹⁾ Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Tejas Kashyap ⁽²⁾ Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Nick Standish ⁽³⁾ Former Director	2020	60,000	Nil	Nil	Nil	Nil	60,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil

⁽¹⁾ Sharon Blady was appointed as a director on April 16, 2020.

⁽²⁾ Tejas Kashyap resigned as a director on July 19, 2020.

⁽³⁾ Nick Standish resigned as a director on December 22, 2020.

⁽⁴⁾ This was paid to 1160170 B.C. Ltd., a company wholly owned by Mr. Lowther.

External Management Companies

See “Employment, Consulting and Management Agreements” for further information about consulting agreements in respect of the NEOs.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to the NEO and directors by the Company during the most recently completed financial fiscal year ended April 30, 2020 for services provided or to be provided, directly or indirectly, to the Company:

COMPENSATION SECURITIES							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage class ⁽¹⁾⁽²⁾	Date of issue of grant	Issue, conversion or exercise price (\$)	Closing price of underlying security on date of grant (\$)	Closing price of underlying security at year end (\$)	Expiry date
Peter McFadden <i>Interim</i> CEO and CFO	Stock Options	202,623/ 1.67%	April 24, 2020	0.15	0.15	0.18	April 24, 2025

COMPENSATION SECURITIES							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage class ⁽¹⁾⁽²⁾	Date of issue of grant	Issue, conversion or exercise price (\$)	Closing price of underlying security on date of grant (\$)	Closing price of underlying security at year end (\$)	Expiry date
Lorne Mark Roseborough Chairman of the Board and Director	Stock Options	202,623/ 1.67%	April 24, 2020	0.15	0.15	0.18	April 24, 2025
Blair Lowther Director	Stock Options	202,623/ 1.67%	April 24, 2020	0.15	0.15	0.18	April 24, 2025
Sharon Blady Director	Stock Options	202,623/ 1.67%	April 24, 2020	0.15	0.15	0.18	April 24, 2025
Tejas Kashyap Director	Stock Options	202,623/ 1.67% ⁽³⁾	April 24, 2020	0.15	0.15	0.18	April 24, 2025
Nick Standish Former Director	Stock Options	202,623/ 1.67% ⁽⁴⁾	April 24, 2020	0.15	0.15	0.18	April 24, 2025

⁽¹⁾ Percentage of issued Veritas Common Shares at date of grant of options. All options were outstanding as of April 30, 2020.

⁽²⁾ On May 2, 2019, Peter McFadden, Lorne Mark Roseborough, Nick Standish, and Blair Lowther were each granted options to purchase 300,000 Veritas Common Shares at a price of \$0.52 per share on or before May 24, 2024. All of these options were cancelled on December 17, 2019.

⁽³⁾ This option expired on October 17, 2020.

⁽⁴⁾ This option expires on March 22, 2021.

Exercise of Compensation Securities by Directors and NEOs

No Compensation Securities were exercised by directors or the NEO of the Company during the most recently completed financial fiscal year ended April 30, 2020.

Employment, Consulting and Management Agreements

The Company has entered into a consulting agreement with 1215720 B.C. Ltd. a company owned by Peter McFadden, pursuant to which Mr. McFadden provides services as Interim CEO and CFO in consideration for \$10,000 per month plus GST. The agreement may be terminated by either party on ninety days notice, or thirty days notice due to a default under the agreement if the default isn't cured within such thirty day period.

The Company has entered into a consulting agreement with 1160170 B.C. Ltd. a company owned by Blair Lowther, pursuant to which Mr. Lowther provides consulting services in consideration for \$5,000 per month plus GST. The agreement may be terminated by the Company on thirty days notice, or five days notice due to a default under the agreement if the default isn't cured within such five day period. The Agreement may be terminated by 1160170 B.C. Ltd. at any time.

Compensation, Philosophy and Objectives

The Company does not have a formal compensation program. The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other companies at a similar stage of development in similar industries and to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior company without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all NEOs is fair and reasonable. The Board relies on the experience of its officers and directors in assessing compensation levels.

Analysis of Elements

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Company.

The Company considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each NEO's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Company's existing stock option plan (the "**Plan**").

Description of Stock Option Plan

The Plan is a "rolling" stock option plan, pursuant to which a maximum of 10% of the issued and outstanding Veritas Common Shares at the time an option is granted may be reserved for issuance pursuant to the exercise of incentive stock options. The Plan was approved by the Board on June 17, 2014 and was most recently ratified and approved by shareholders at the Company's annual general meeting held on January 25, 2019.

The purpose of the Plan is to provide incentives to qualified persons to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact and/or contribution to the longer-term operating performance of the Company.

Administration

The Plan is administered by the Board or by a committee of two or more directors who may be designated from time to time to serve as the committee for the Plan. Subject to the limitations of the Plan, the Board has full power to grant options, to determine the terms, limitations, restrictions

and conditions respecting such options and to settle, execute and deliver option agreements and bind the Company accordingly, to interpret the Plan and to adopt such rules, regulations and guidelines for carrying out the Plan as it may deem necessary or proper, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of the Plan.

Total Number of Securities Issuable and Securities Issued under the Plan

The maximum aggregate number of Veritas Common Shares reserved for issuance pursuant to the exercise of options granted under the Plan is 10% of the outstanding Veritas Common Shares as at the date of a stock option grant. If any option is exercised, in whole or in part, then the maximum number of Veritas Common Shares for which options may be granted shall be proportionately increased by the number of Veritas Common Shares issued on such exercise. If any option subject to the Plan is forfeited, expires, is terminated or is cancelled for any reason other than by reason of exercise, then the maximum number of Veritas Common Shares for which options may be granted must be increased by the number of Veritas Common Shares which were the subject of such forfeited, expired, terminated or cancelled option. The maximum number of Veritas Common Shares must be appropriately adjusted in the event of a subdivision or consolidation of the Veritas Common Shares.

Option Exercise Price

The exercise price per Veritas Common Share under an option must be determined by the administrator, in its discretion, at the time such option is granted, but such price shall not be less than the closing market price on the CSE on the day immediately preceding the date of grant of an option, less any applicable discount allowed by the CSE.

Tax Withholding

The Plan establishes that the Company shall have the right in its discretion to satisfy any liability to make source deductions under the *Income Tax Act* (Canada) or any other applicable law by selling on behalf of any participant such number of Veritas Common Shares issued to the participant pursuant to an exercise of options under the Plan as is sufficient to fund the withholding obligations. The Company may require a participant, as a condition to exercise of an option, to make such arrangements as the Company may require so that the Company can satisfy applicable withholding obligations.

Eligible Participants under the Plan

Options may be granted to:

- (a) a director of the Company;
- (b) a senior officer of the Company;
- (c) an employee of the Company, which is an individual who (i) is considered an employee of the Company or a Subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source); (ii) works full-time for the Company or a Subsidiary providing services normally provided by an employee and who is subject to the

same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or (iii) works for the Company or a Subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;

- (d) a consultant to the Company or an affiliate, which is an individual (or a corporation or partnership of which the individual is an employee, shareholder or partner), that (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or an affiliate other than services provided in relation to a distribution of securities; (ii) provides the services under a written contract between the Company or an affiliate and the individual or the consultant company; (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate; and (iv) has a relationship with the Company or an affiliate that enables the individual to be knowledgeable about the business and affairs of the Company;
- (e) a company that is wholly-owned by an individual eligible for an option grant.

Maximum Any One Individual is Entitled to Receive

The maximum aggregate number of Veritas Common Shares that may be reserved under the Plan for issuance to any one person (and any companies wholly-owned by that person), in any 12-month period must not exceed 5% of the outstanding Veritas Common Shares at the time of grant.

Maximum Any One Consultant is Entitled to Receive

The maximum aggregate number of Veritas Common Shares that may be reserved under the Plan for issuance to any one consultant during any 12-month period must not exceed 2% of the outstanding Veritas Common Shares at the time of grant.

Maximum Persons Retained to Provide Investor Relations Activities are Entitled to Receive

The maximum aggregate number of Veritas Common Shares that may be reserved during any 12-month period under the Plan for issuance to any one person retained to provide investor relations activities must not exceed 2% of the outstanding Veritas Common Shares at the time of grant.

Vesting of Options

Options shall be subject to such vesting periods as may be determined by the administrator at the time of grant, which vesting periods may be accelerated under certain circumstances.

Terms of Options

The option period for an option shall be determined by the administrator at the time the option is granted and may be up to five (5) years from the date the option is granted. Upon the occurrence of an optionee ceasing to be a director, senior officer, employee or consultant of the Company for any reason excluding death, the option terminates 90 days after such person ceases to be an eligible person (30 days after in the case of a person engaged in investor relations activities), or such shorter period as may be determined at the date of grant of the option. In the case of death, the option remains exercisable by the person's heir or administrators for a period of 12 months following death.

Assignability of Options

Neither the options nor the benefits and rights of any optionee under any option or under the Plan shall be assignable or otherwise transferable, except as specifically provided under the Plan in the event of the death of an optionee. During the lifetime of the optionee, all options may only be exercised by the optionee.

Amendment or Termination of the Plan

The Board reserves the right to amend or terminate the Plan at any time if and when it is deemed advisable in the absolute discretion of the Board; provided, however, that no such amendment or termination shall adversely affect any outstanding options granted under the Plan without the consent of the optionee. Any amendment to the Plan may also be subject to acceptance of such amendment or amended plan for filing by regulatory authorities and, if required, the approval of the shareholders.

Adjustments

Following the date an option is granted, the exercise price for, and the number of Veritas Common Shares which are subject to an option, will be adjusted accordingly in the event of a share consolidation or subdivision.

As at March 1, 2021, 1,113,115 options are outstanding, representing 6.67% of the outstanding Veritas Common Shares.

The following table sets out equity compensation plan information as at the year ended April 30, 2020:

	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options, warrants and rights (\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	1,215,738	\$0.15	453,726
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
TOTAL:	1,215,738	\$0.15	453,726

CORPORATE GOVERNANCE

National Instrument 58-101 - Disclosure of Corporate Governance Practices requires management of an issuer (other than a venture issuer) that solicits a proxy from a securityholder of the issuer for the purpose of electing directors to the its board of directors to include in its management information circular the disclosure required by Form 58-101F2 – Corporate Governance Disclosure. The following disclosure describes the Company’s approach to corporate governance.

Board of Directors

Independent Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Company’s Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Company’s Board requires management to provide complete and accurate information with respect to the Company’s activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Company’s Board is responsible for monitoring the Company’s officers, who in turn are responsible for the maintenance of internal controls and management information systems.

Lorne Mark Roseborough and Sharon Blady are independent. The non-independent director is Blair Lowther.

Directorships in Other Reporting Issuers

The following directors and proposed directors of the Company are directors of other reporting issuers:

Director	Other Reporting Issuer Directorships
Howard Ash	DPW Holdings, Inc. (NYSE American)

Independent Director Meetings

The independent directors of the Company do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. The Board encourages independent Board members to discuss all matters with both other independent directors and non-independent directors and management in order that they are fully informed and apprised of all matters necessary to make objective decisions as directors.

The independent directors have not appointed a lead director of its independent directors. The Board currently consists of four directors in total and there is consistent and frequent communication among the four directors on all matters affecting the operation of the Company.

Orientation and Continuing Education

The Board has not developed a formal orientation policy for new directors. When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

In order to ensure that directors maintain the skill and knowledge necessary to meet their obligations as directors, the Company encourages its directors to take director education and training courses offered by post-secondary institutions. Directors are reimbursed for the expense of these training courses.

Ethical Business Conduct

The Board has not adopted a written code for directors, officers and employees. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Further, the Company's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and the identification of new candidates for Board nomination is currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board as a whole determines compensation for the directors and the Named Executive Officers.

Other Board Committees

The Board has no other committees other than the Audit Committee.

Assessments

The Board, the Audit Committee and individual directors are not regularly assessed with respect to their effectiveness and contribution. The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and the Audit Committee.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, none of the directors or executive officers of the Company, none of the management proposed nominees for election as directors of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last financial year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company's last completed financial year or as of the Record Date, was any director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries indebted to the Company or any of its subsidiaries or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Veritas Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest, direct or indirect, in any transaction since May 1, 2019 (being the commencement of the Company's last completed financial year), or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its Subsidiaries other than as set out herein.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree, performed by a person or company other than the directors or executive officers of the Company.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the persons named in the proxy intend to vote on any poll in accordance with their best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company is available for review by the public on SEDAR at www.sedar.com and may also be obtained by a Shareholder upon request without charge from

the Corporate Secretary of the Company at Suite 3200 - 650 West Georgia Street, Vancouver, British Columbia, V6B 4P7 or by telephone: 416-918-6785.

Financial information is provided in the Company's audited consolidated financial statements of the Company for the year ended April 30, 2020 and in the related Veritas MD&A.

APPENDIX A

**AUDIT COMMITTEE CHARTER
OF VERITAS PHARMA INC.**

(THE "COMPANY")

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company's audit committee, or its Board of Directors in lieu thereof (the "Audit Committee"). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

1. Composition

- (a) Number of Members. The Audit Committee must be comprised of a minimum of three directors of the Company, a majority of whom will be independent. Independence of the board members will be as defined by applicable legislation.
- (b) Chair. If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the "Chair") to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.
- (c) Financially Literacy. All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

2. Meetings

- (a) Quorum. The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.
- (b) Agenda. The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.
- (c) Notice to Auditors. The Company's auditors (the "Auditors") will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.
- (d) Minutes. Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

3. Roles and Responsibilities

The roles and responsibilities of the Audit Committee include the following:

External Auditor

The Audit Committee will:

- (a) Selection of the external auditor. Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements.
- (b) Scope of Work. Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.
- (c) Compensation. Recommend to the Board the compensation to be paid to the external auditors.
- (d) Replacement of Auditor. If necessary, recommend the replacement of the Auditor to the Board of Directors.
- (e) Approve Non-Audit Related Services. Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.
- (f) Direct Responsibility for Overseeing Work of Auditors. Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.
- (g) Resolution of Disputes. Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

Consolidated Financial Statements and Financial Information

The Audit Committee will:

- (a) Review Audited Financial Statements. Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.
- (b) Review of Interim Financial Statements. Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.
- (c) MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports. Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.
- (d) Auditor Reports and Recommendations. Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

Risk Management, Internal Controls and Information Systems

The Audit Committee will:

- (a) Internal Control. Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.
- (b) Financial Management. Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.
- (c) Accounting Policies and Practices. Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.
- (d) Litigation. Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.
- (e) Other. Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

Complaints

- (a) Accounting, Auditing and Internal Control Complaints. The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.
- (b) Employee Complaints. The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

4. Authority

- (a) Auditor. The Auditor, and any internal auditors hired by the Company, will report directly to the Audit Committee.
- (b) To Retain Independent Advisors. The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

5. Reporting

The Audit Committee will report to the Board on:

- (a) the Auditor's independence;
- (b) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;
- (c) the reappointment and termination of the Auditor;
- (d) the adequacy of the Company's internal controls and disclosure controls;
- (e) the Audit Committee's review of the annual and interim consolidated financial statements;
- (f) the Audit Committee's review of the annual and interim management discussion and analysis;
- (g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- (h) all other material matters dealt with by the Audit Committee.

APPENDIX B

VERITAS RESOLUTIONS

AMALGAMATION RESOLUTION

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The acquisition of all the issued and outstanding common shares of Indigenous Bloom Hemp Corporation (“**Hempco**”) by the Company by way of a three-cornered amalgamation (the “**Amalgamation**”) involving the Company, 12302161 Canada Inc. (“**Newco**”) and Hempco, as more particularly described and set forth in the Management Information Circular of the Company dated March 1, 2021, is hereby authorized, approved and adopted;
2. The Business Combination Agreement dated September 4, 2020, as amended February 17, 2021, among the Company, Hempco and Newco (the “**Business Combination Agreement**”) and all transactions contemplated thereby, and the performance by the Company of its obligations thereunder, is hereby approved and adopted;
3. The Amalgamation Agreement dated February 17, 2021 among the Company, Hempco and Newco (the “**Amalgamation Agreement**”) and all transactions contemplated thereby, and the performance by the Company of its obligations thereunder, is hereby approved and adopted;
4. The actions of the directors of the Company in approving the Business Combination Agreement and the Amalgamation Agreement and the actions of the directors and officers of the Company in executing and delivering the Business Combination Agreement and the Amalgamation Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved;
5. Notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered (a) to amend the Business Combination Agreement and the Amalgamation Agreement to the extent permitted by the Business Combination Agreement and the Amalgamation Agreement, and (b) not to proceed with the Amalgamation at any time prior to the Effective Date (as defined in the Amalgamation Agreement); and
6. Any officer or director is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered, all such documents and instruments and to perform or cause to be performed all such other acts and things as in such person’s opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such authorization to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.”

CONSOLIDATION RESOLUTION

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Common Shares be consolidated on the basis of one (1) post-consolidation Common Share for every two (2) pre-consolidation Common Shares outstanding (the “**Consolidation**”);
2. The directors of the Company, in their sole and complete discretion, may act upon this special resolution to effect the Consolidation, or if deemed appropriate and without any further approval from the shareholders of the Company, may choose not to act upon this special resolution, notwithstanding shareholder approval of the Consolidation;
3. should the directors of the Company choose to act upon this special resolution to effect the Consolidation and subject to the deposit of this resolution at the Company’s records office, the solicitors for the Company are authorized and directed to take all necessary steps to give effect to this special resolution; and
4. any one director or officer of the Company is authorized and directed on behalf of the Company, to take all necessary steps and proceedings, and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things as may necessary or desirable to give effect to this special resolution.”

APPENDIX C

INFORMATION CONCERNING HEMPCO

*The following information is presented on a pre-Amalgamation basis and reflects the business, financial and share capital position of Indigenous Bloom Hemp Corporation (“Hempco”). See **Cautionary Notice Regarding Forward-Looking Statements in this Circular in respect of forward-looking statements that are included in this Appendix and in the documents incorporated by reference herein.***

All capitalized terms used in this Appendix and not defined herein have the meaning ascribed to such terms in the Glossary of Terms or elsewhere in this Circular.

PRELIMINARY NOTE

This Appendix has been prepared by the management of Hempco and contains information in respect of the business and affairs of Hempco. Information provided by Hempco is the sole responsibility of Hempco, and Veritas does not assume any responsibility for the accuracy or completeness of such information.

ORGANIZATIONAL STRUCTURE

Hempco was incorporated under the CBCA on July 31, 2019. Hempco’s head office is located at 2220 Horizon Drive East, Kelowna, British Columbia, V1Z 3L4 and its registered office is located at 199 Bay Street, Suite 400, Toronto, Ontario, M5L 1A9.

Hempco has no subsidiaries.

The Hempco Shares are not currently listed on any stock exchange.

NARRATIVE DESCRIPTION OF BUSINESS

Principal Products or Services

Our Business

Overview

Hempco currently operates a large-scale industrial hemp farm in Southern Manitoba on approximately 400 acres of zoned farmland. The farmland is leased by Chris Federowich and Delores Federowich, dba Federowich Farms, pursuant to two leases. One lease is with Henry Carels and Lucinda Carels, is for a term of one year expiring on April 1, 2021 and covers 235 acres. The other lease is with Val Lummens, is for a term of one year expiring on April 30, 2021 and covers 176 acres. Lease costs for each lease are \$60 per acre per year and are paid by Hempco. Both leases are expected to be renewed for further one-year terms in May of 2021. Federowich Farms is consulting with an Agronomist to best choose which tracks of land to use for various strains of seed and the renewal will be based on seed and soil requirements.

Hempco has entered into a contract for farming services dated July 23, 2020 (the “**Independent Contractors Services Agreement**”) with Federowich Farms (the “**Contractor**”) to provide farming and cultivating services for industrial hemp (in the forms of seed, grain, flowering head, leaves and branches) on the leased farmland. The agreement is for a period of one year expiring on May 31, 2021 and is in the process of being renewed. The Contractor is operating under a licence from Health Canada which expires on April 18, 2021 and has applied for a renewal. In consideration for the farming services, Hempco pays the contractor a fee of \$400 per acre planted and \$600 per acre harvested. The Contractor has also been granted the option to purchase 100,000 Veritas Common Shares at a price of \$0.17 per share on or before June 1, 2022.

Under the Independent Contractors Services Agreement, the Contractor is required to farm and cultivate a minimum of 200 acres and Hempco has the option to require the farming and cultivation of an additional 200 acres.

Hempco has made an application to Health Canada for an Industrial Hemp Licence which will allow for the cultivation and sale of industrial hemp in the form of seed, grain, flowering heads, leaves and branches. Hempco’s licence application is currently being processed by Health Canada and Hempco has been advised by Health Canada that its application is in the final stage.

The primary business of Hempco is the sale of hemp biomass and flower for processing into phytocannabinoid rich (“**PCR**”) extracts derived from hemp biomass. Hempco is currently planting crops using CBD dominant genetics. Hempco also intends to develop or acquire the rights to additional hemp products such as health supplements, nutritional products, food stuffs and beauty products for general consumer end-use. All of the PCR hemp, hemp extracts and hemp products produced or sold by Hempco contain will contain less than 0.3% THC, ensuring that they are compliant with the Industrial Hemp Regulations, thus falling under the definition of industrial hemp.

Cultivation Operations

The growing region in Manitoba is widely regarded in the industry as one of the best climates in North America for the cultivation of Hemp. Hempco intends to seed and harvest one crop per year. During 2020, Hempco seeded 200 acres and harvested approximately 50,000 kilograms of hemp biomass. The biomass was processed through the proprietary separation technology referred to below, achieving a throughput of 18,600 kilograms in a two hour period. The resulting CBD content was concentrated up to an average of 8% and reduced the biomass content by 96%. The resulting material has been sent to Bioscission in Winnipeg, MB for analytical testing. Hempco currently has approximately 1200 kilograms of CBD rich product moving through additional research and development.

During 2021, Hempco intends to seed up to 400 acres and is projecting a fall harvest of 108,000 kilograms of hemp biomass if all acres are harvested. Hempco is looking to concentrate its efforts in the vertical and horizontal hemp markets. By using proprietary technology, Hempco plans to become a leader in the hemp industry. Plans include the development of various product lines and propagation through A-Sexual reproduction which is expected to increase production capacity and accelerate the development of genetic stock.

As a farming operation, most of Hempco's costs are farming related (fertilizer, irrigation, seed bed preparation, etc.). It is anticipated that mechanized harvesting utilizing the proprietary technology referenced below will require intensive labour for about one month with an estimated cost of \$80,000. A dry crop processing fee of \$10 per kilogram of hemp, prior to shipping the product for oil extraction, is estimated with total direct sales costs projected at \$1,300,000.

As part of its long-term growth and efficiency protocols, Hempco has mechanized substantial parts of its operation, including the use of combines for harvesting, and tunnel/barrel dryers for post harvesting. Hempco has acquired an exclusive worldwide license to patent pending technology (the "**Licensed Technology**") for separating hemp and cannabis plant matter during the harvesting process that management of Hempco believes will provide a cost-effective, energy efficient, carbon neutral process of separation.

Hempco acquired the license to use and sell products utilizing the Licensed Technology pursuant to an agreement (the "**Technology License Agreement**") dated November 30, 2020 with 1251683 B.C. Ltd. (the "**Licensor**"). As consideration for the license, Hempco is required to pay the Licensor \$1,200,000 and a royalty of 8% of any monies received by Hempco from the sale, lease, rental, sublicense or other disposition of products utilizing the Licensed Technology. Michael Matvieshen, who owns 17.16% of the issued and outstanding Hempco Shares, owns a one-third interest in the Licensor.

Processing

Hempco is negotiating with a Health Canada licenced extraction firm in Ontario to perform contract extraction services of CBD from the hemp produced by Hempco. Based upon historical yields in each region, Hempco is projecting a 2021 fall harvest of approximately 5400 kg of hemp concentrate on each 200 acres planted.

Our Products

Hempco currently has two products which it plans to sell and is in the process of expanding its product line. Hempco's primary product to date is hemp biomass, which will be sold pre-processed to customers and partners who process the biomass into hemp extracts. Its secondary product consists of bulk hemp material such as grain (seeds) for both food and agriculture (replanting) and separated CBD rich kief for further extraction and processing into consumer goods.

Development of Business

The Licensed Technology will allow for onsite processing as the 2021 crop is harvested. Hempco intends to apply for a licence from Health Canada to process hemp extract and is investigating the viability and cost of constructing its own extraction facility.

Competition within the Industry

The markets for businesses in the CBD and hemp oil industries are competitive and evolving. In particular, Hempco faces strong competition from both existing and emerging companies that offer similar products. Some of its current and potential competitors may have longer operating histories, greater financial, marketing and other resources and larger customer bases than Hempco. Given the rapid changes affecting the global, national, and regional economies generally and the

CBD industry in particular, Hempco may not be able to create and maintain a competitive advantage in the marketplace. Hempco's success will depend on its ability to keep pace with any changes in such markets, especially in light of legal and regulatory changes. Its success will depend on Hempco's ability to respond to, among other things, changes in the economy, market conditions, and competitive pressures. Any failure by Hempco to anticipate or respond adequately to such changes could have a material adverse effect on its financial condition, operating results, liquidity, cash flow and operational performance.

Intra-Industry Competition

The number of competitors in Hempco's market segment is expected to increase, both nationally and internationally, which could negatively impact Hempco's market share and demand for products. The introduction of a recreational model for marijuana production and distribution in various jurisdictions may cause producers in those jurisdictions to expand beyond the medical marijuana market and compete with Hempco's products. The impact of this potential development may be negative for Hempco and could result in increased levels of competition in its existing market and/or the entry of new competitors in the overall cannabis market in which Hempco operates. There is potential that Hempco will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than Hempco. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of Hempco. Hempco also faces competition from producers who may not comply with applicable regulations. As a result, such producers may have lower operating costs, make impermissible claims and utilize other competitive advantages based on circumvention of regulatory requirements. To remain competitive, Hempco will require continued significant investment in research and development, marketing, sales and customer support. Hempco may not have sufficient resources to maintain research and development, marketing, sales and customer support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of Hempco. As well, the legal landscape for Hempco's products is changing internationally. More countries have passed laws that allow for the production and distribution of cannabis in some form or another. Increased international competition might lower the demand for Hempco's products on a global scale.

Short Term Objectives and How We Intend to Achieve Them

Short term success will be influenced by the achievement of full mechanization of harvest and post harvest processing. Hempco's objectives include having the harvesting equipment operating at maximum yield with the ability to process over 1000 acres per season of which will be a mix of Hempco's product as well as 3rd party harvest product which would be sub-contracted. Profitability of the short-term successes will directly impact Hempco's ability to meet its longer term objectives.

Long Term Business Objectives

Hempco's long-term objective is to achieve vertical integration of its operations, positioning itself as a producer of industrial hemp and pharmaceutical grade hemp derived products in North America and globally. Hempco plans to eventually produce its own distillate and sell its own

product and has retained an agent to prepare the application for a Processing and Sales with Possession Licence.

Market Overview

According to New Frontier Data The Global Cannabis Report 2019 Industry Outlook (the “**Report**”) there are more than 263 million estimated cannabis consumers in the world, with significant demand for the plant’s medical, wellness, industrial and recreational applications. The strength of demand varies by region, and is heavily influenced by the status of legalization, levels of social acceptance, and access to cannabis in each country.

New Frontier Data estimates the value of the existing worldwide demand for cannabis at US\$344.4 billion, based on both the estimated consumption levels and current market prices for cannabis flower in each country. Outside of the few countries that have legalized recreational use of cannabis, nearly all of the global demand is currently being met by the illicit market.

The Report estimates 1.2 billion people worldwide suffering from medical conditions for which cannabis has shown therapeutic value. It’s believed that adoption of medical cannabis treatment by even a small proportion of that population would create significant market opportunity for cannabis companies. Furthermore, adoption of medical cannabis is likely to accelerate as the global medical community becomes better informed about the most current science on medicinal cannabis and begins to include it in their portfolio of therapeutic options.

According to and up to the date of the Report, 55 countries have legalized cannabis for medical use in efforts to provide access to patients suffering from serious medical conditions. The stringency of the regulatory framework chosen varies by country (including rules governing qualifying conditions, physician participation, production and processing, and insurance coverage), and has a significant impact on the size, growth, and reach of each program.

Regulatory Regime in Canada

While Hempco intends to expand globally, its focus to date has been on the markets in Canada.

On October 17, 2018, the Cannabis Act and Regulations came into effect, which were subsequently amended on October 17, 2019. The Cannabis Act and Regulations legalize, strictly regulate, and restrict access to cannabis (medical and adult-use) within Canada. The Cannabis Regulations established six classes of licenses: cultivation, processing, analytical testing, sales for medical purposes, research, and cannabis drug licenses. The Cannabis Regulations have also created sub-classes for cultivation licenses (standard cultivation, micro cultivation, and nursery) and processing licenses (standard processing and micro-processing). Different license types carry different rules and requirements that are intended to be proportionate to the public health and safety risks posed by each license category and/or sub-class.

Producers holding production and sale licenses under the ACMPR have been transitioned to coordinating licenses under the Cannabis Act. Licenses issued pursuant to the Cannabis Regulations are valid for a period of up to five years. The Cannabis Regulations permit cultivation license-holders to conduct both outdoor and indoor cultivation of cannabis. A holder of a license must only conduct authorized activities at the location set out in the license.

Under the Cannabis Act, the Industrial Hemp Regulations set out a regulatory framework for controlling and authorizing certain activities with industrial hemp, which is defined under the Industrial Hemp Regulations as a cannabis plant - or any part of the plant – in which the concentration of THC is 0.3% (weight by weight) or less in the flowering heads and leaves.

Under this framework, a person is required to obtain a licence issued by Health Canada in order to conduct various activities with industrial hemp. In addition, licence holders are responsible for compliance with the Cannabis Act and Regulations, and with other federal, provincial and territorial and municipal by-laws.

Security Clearances

Certain people associated with cannabis licensees, including individuals occupying a “key position” such as directors, officers, large shareholders, and individuals identified by the Minister of Health, must hold a valid security clearance issued by the Minister. Under the Cannabis Regulations, the Minister may refuse to grant security clearances to individuals with organized crime associations or past convictions for, or in association with, drug trafficking, corruption, or violent offences. This was largely the approach in place previously under the ACMPR and other related regulations governing the licensed production of cannabis for medical purposes. Individuals who have a history of nonviolent, lower-risk criminal activity (for example, simple possession of cannabis, or small-scale cultivation of cannabis plants) are not precluded by legislation from participating in the legal cannabis industry, and the granting of security clearance to such individuals is at the discretion of the Minister of Health.

Cannabis Tracking and Licensing System

Under the Cannabis Act, the Minister is authorized to establish and maintain a national cannabis tracking system, the purpose of which is to track cannabis throughout the supply chain to help prevent diversion of cannabis into and out of the illicit market. The Cannabis Regulations provide the Minister with the authority to make a ministerial order that would require certain persons named in such order to report specific information about their authorized activities with cannabis, in the form and manner specified by the Minister. Accordingly, the Minister has introduced the Cannabis Tracking and Licensing System (the “CTLS”). License-holders are required to use the CTLS to submit monthly reports to the Minister pursuant to the Cannabis Tracking System Order, SOR/2019-202.

Cannabis Products

As of October 17, 2018, the Cannabis Act and Regulations permitted the sale to the public of dried cannabis, cannabis oil, fresh cannabis, cannabis plants, and cannabis seeds by authorized license holders.

On October 17, 2019, the sale of edible cannabis, cannabis extracts and cannabis topicals were added as classes of cannabis that are permitted to be sold through medical and adult-use consumer channels. The previous class, cannabis oil, was given a one-year transitionary period to allow for existing cannabis licensees to transition their current products to the amended regulations. Edible cannabis, cannabis extracts and cannabis topicals each have varying restrictions on maximum concentration of THC per immediate container and per dose, ingredient limitations, and additional manufacturing and good production practices requirements.

Packaging and Labelling

The Cannabis Regulations require plain packaging for cannabis products, including strict requirements for logos, colours and branding, and further require mandatory health warnings, a standardized cannabis symbol and specific product information.

Promotion

The Cannabis Act and Regulations outline several prohibitions that can potentially apply to anyone who may be involved in the promotion of cannabis, cannabis accessories and services related to cannabis, or related activities. These prohibitions are intended to protect public health and safety, including by protecting the health of young persons by restricting their access to cannabis, and young persons and others from inducements to use cannabis.

Cannabis for Medical Purposes

The Cannabis Regulations set out the regulatory framework for medical cannabis following legalization, which remains substantively consistent with the previous legislation. Some adjustments have been made to align with rules for non-medical consumer use, improve patient access, and reduce the risk of abuse within the medical access system. The sale of medical cannabis remains federally regulated and sales can only be made by an entity that holds a license to sell under the Cannabis Regulations to patients who: (a) have a medical document authorizing the use of medical cannabis and (b) have registered with the licensed entity. Patients must obtain a medical document from their health care provider and then register as a patient with a holder of a license for sale for medical purposes, with the registration in each case valid for a maximum of one year. The client can then order from the licensed seller online or via telephone and the cannabis will be shipped directly to the client. The Federal government intends to review the medical cannabis system five years from the date of legalization to determine whether to implement any further changes to the regulatory framework.

Health Products and Cosmetics Containing Cannabis Health

Canada has taken a scientific, evidence-based approach to the oversight of health products with cannabis that are approved with health claims, including prescription and non-prescription drugs, natural health products, veterinary drugs and veterinary health products, and medical devices. Per Health Canada's Cosmetic Ingredient Hotlist, the use of cannabis species (hemp) derivatives (other than certain hemp seed derivatives containing no more than 10 parts per million THC) in cosmetics, are permitted, subject to the provisions of the Cosmetic Ingredient Hotlist and the Industrial Hemp Regulations.

Provincial and Territorial Regulatory Regimes

While the Cannabis Act governs the production of cannabis for consumer purposes and related matters by the federal government, the Cannabis Act has authorized the provinces and territories of Canada to regulate other aspects of consumer cannabis, such as sale and distribution, minimum age requirements, and places where cannabis can be consumed. The government of each Canadian province and territory has in place regulatory regimes for the distribution and sale of cannabis for consumer purposes within those jurisdictions.

The following chart outlines the current basic regulatory regime in each province and territory:

Province/Territory	Legal Age	Where it's Legal to Purchase	Public Possession Limit
Alberta	18	Private licensed stores or government- operated online store	30 grams
British Columbia	19	Government-operated stores or online, or private licensed stores	30 grams
Manitoba	19	Private licensed stores or online	30 grams
New Brunswick	19	Government-operated stores or online	30 grams
Newfoundland and Labrador	19	Private licensed stores or government- operated online store	30 grams
Northwest Territories	19	Government-operated stores or online	30 grams
Nova Scotia	19	Government-operated stores or online	30 grams
Nunavut	19	Government-operated online store or by phone	30 grams
Ontario	19	Private licensed stores or government- operated online store	30 grams
Prince Edward Island	19	Government-operated stores or online	30 grams
Quebec	21	Government-operated stores or online	30 grams
Saskatchewan	19	Private licensed stores or online	30 grams
Yukon	19	Government-operated stores or online	30 grams

Trends, Commitments, Events or Uncertainties

The most significant trends and uncertainties which Hempco's management expects could impact its business and financial condition are (i) the changing legal and regulatory regime which regulates the production, sale and export of cannabis and cannabis related products in each territory in which it intends to operate in some capacity; (ii) the ability of companies who may receive funds from the sale of cannabis and cannabis related products to adequately track and legally transfer

such funds; and (iii) the ability of companies to raise adequate capital to carry out their business objectives. See “*Appendix D – Information Concerning the Resulting Issuer – Risk Factors*”.

SELECTED FINANCIAL INFORMATION

The following table summarizes financial information of Hempco for the period from July 31, 2019 (date of incorporation) to May 31, 2020 and for the six month period ended November 30, 2020. This summary financial information should be read in conjunction with the audited financial statements of Hempco for the period from July 31, 2019 (date of incorporation) to May 31, 2020 and with the unaudited financial statements of Hempco for the six month period ended November 30, 2020.

	July 31, 2019 (date of incorporation) to May 31, 2020	Six Month Period Ended November 30, 2020
Operating Data:		
Total revenues	Nil	Nil
Net loss from operations	(\$384,449)	(\$260,714)
Basic and diluted loss per share	(\$3,844.49)	(\$0.01)
Balance Sheet Data:		
Total assets	\$607,281	\$730,005
Total liabilities	\$991,729	\$1,027,667

DIVIDENDS

No dividends on Hempco Shares have been paid to date.

MANAGEMENT’S DISCUSSION AND ANALYSIS

A copy of Hempco’s MD&A for the period from July 31, 2019 (date of incorporation) to May 31, 2020 and for the six month period ended November 30, 2020 is attached to this Appendix C as Schedule B.

The Hempco MD&A should be read in conjunction with the audited financial statements of Hempco and the notes thereto for the period from July 31, 2019 (date of incorporation) to May 31, 2020 and the unaudited financial statements of Hempco and the notes thereto for the six month period ended November 30, 2020. The Hempco annual and interim financial statements set out in Schedule A to Appendix C have been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

DESCRIPTION OF HEMPCO SHARE CAPITAL

The authorized share capital of Hempco consists of an unlimited number of Class “A” voting common shares, of which 20,000,000 Hempco Shares are issued and outstanding as fully paid and non-assessable as at the date hereof.

Hempco Shares

Holders of Hempco Shares are entitled to receive notice of and to attend all meetings of Hempco Shareholders. Each Hempco Share carries one vote. In the event of a liquidation, dissolution or winding up of Hempco, whether voluntary or involuntary, or any other distribution of its assets among its shareholders for the purpose of winding up its affairs, the holders of the Hempco Shares are entitled to receive the remaining property and assets of Hempco on a pro rata basis.

CAPITALIZATION

Common Shares

The following table sets forth the capitalization of Hempco as of the date of this Circular:

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding as of the date of this Circular
Hempco Class "A" Voting Common Shares	Unlimited	20,000,000

PRIOR SALES

The following table summarizes the issuances of securities of Hempco within 12 months prior to the date hereof:

Date of Issue	Description	Number of Common Shares	Price per Share	Total Issue Price	Consideration Received
June 15, 2020	Class A Common	16,500,000	\$0.02	\$330,000	Cash
June 15, 2020	Class A Common	3,500,000	\$0.005	\$17,500	Cash

TRADING PRICE AND VOLUME OF THE HEMPCO SHARES

The Hempco Shares are not traded on any stock exchange.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

There are no securities of Hempco that are subject to escrow or restrictions on transfer other than standard limitations on transfer pursuant to the Articles of Hempco and applicable securities laws.

PRINCIPAL SECURITYHOLDERS

As of the date of this Circular, the only persons who beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding Hempco Shares are as follows:

Name and Municipality of Residence	Number of Hempco Shares Held	Percentage of Issued Hempco Shares
Michael Matvieshen Kelowna, BC	3,432,387	17.16%
Lorne Mark Roseborough Kelowna, BC	2,414,214	12.07%

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Securityholdings

The names and province or state and country of residence of the directors and executive officers of Hempco, positions held by them with Hempco and their principal occupations during the past five years are as set forth below. The term of office of each of the present directors expires at the next annual general meeting of shareholders. After each such meeting, the Board of Directors appoints Hempco's officers and committees for the ensuing year. Following the completion of the Amalgamation, Lorne Mark Roseborough will be the sole director and officer of Amalco.

Name and Municipality of Residence Held	Position	Principal Occupation	Number and Percentage of Hempco Shares ⁽¹⁾⁽²⁾
Allen Szmyrko Boyle, AB	Director	Construction Industry	938,920 (4.69%)
Joshua Matvieshen Kelowna, BC	Director	Financial Consultant	587,280 (2.94%)

⁽¹⁾ The information as to common shares beneficially owned or controlled has been provided by the directors or officers themselves.

⁽²⁾ Percentage of Hempco Shares issued and outstanding as at the date hereof.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer (a) is, as at the date of this Circular, or has been, within ten years before the date of this Circular, a director or executive officer of any corporation (including Hempco) that, while that person was acting in that capacity: (i) was the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under the securities legislation, for a period of more than 30 consecutive days; (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the corporation being the subject of a cease trade order or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days.

No director, executive officer or shareholder holding a sufficient number of securities of Hempco to materially affect the control of Hempco (a) is, as at the date of this Circular, or has been within ten years before the date of the Circular, a director or executive officer of any corporation (including Hempco) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the ten years before the date of this Circular, become bankrupt, made a

proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Hempco, or a shareholder holding sufficient number of securities of Hempco to affect materially the control of Hempco, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of Hempco's directors and officers serve or may agree to serve as directors or officers of other companies or have significant shareholdings in other companies. To the extent that such other companies may participate in ventures in which Hempco may participate, the directors of Hempco may have a conflict of interest in negotiating and concluding terms regarding the extent of such participation. In the event that such a conflict of interest arises at a meeting of Hempco's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. Under the laws of Canada, the directors of Hempco are required to act honestly, in good faith and in the best interests of Hempco.

None of the directors of Hempco are directors of any reporting issuer.

EXECUTIVE COMPENSATION

From July 31, 2019 (date of incorporation) to May 31, 2020, Hempco did not pay any compensation to its directors or to any person who acted in the capacity of an executive officer.

Compensation Discussion and Analysis

Hempco does not have in place any formal objectives, criteria or analysis for determining or assessing the compensation of its executive officers and Directors, nor does it have a compensation committee.

Outstanding Share-Based Awards and Option-Based Awards

Hempco does not have any share-based or option-based incentive plans.

Pension Plan Benefits

Hempco does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination and Change of Control Benefits

Hempco does not have any compensatory plan, or other contract or agreement with any NEO with respect to compensation to be paid in the event of termination.

Director Compensation

The directors of Hempco do not receive any compensation or fees in their capacity as directors.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since incorporation, no director or executive officer of Hempco (and none of their associates and/or affiliates) is or was indebted, including under any securities purchase or other program, to (i) Hempco, or (ii) any other entity which is or was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Hempco.

RISK FACTORS

Since the business of the Resulting Issuer will include progression of the business of Hempco, any risk factors relevant to the business of Hempco will also be relevant to the business of the Resulting Issuer. Refer to “*Appendix D - Information Concerning the Resulting Issuer – Risk Factors*”.

The risks presented in this Circular should not be considered to be exhaustive and may not be all of the risks that the Resulting Issuer and Hempco may face.

Whether actual results, performance or achievements of the Resulting Issuer will conform to the expectations and predictions of Hempco and Veritas is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those referred to in “*Appendix D - Information Concerning the Resulting Issuer – Risk Factors*”.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the best of Hempco’s knowledge, there are no legal proceedings as of the date of this Circular to which Hempco is a party or of which any of Hempco’s property is subject that would have a material adverse effect on Hempco, nor are there any such legal proceedings contemplated.

There have been no penalties or sanctions imposed against Hempco by a court relating to securities legislation or by a securities regulatory authority as of the date of this Circular, or any other time that would likely be considered important to a reasonable investor making an investment decision in Hempco. Hempco has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority as of the date of this Circular.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than transactions carried out in the ordinary course of business of Hempco or disclosed herein, none of the directors or executive officers of Hempco, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, more than 10% of the outstanding Hempco Shares, nor an associate or affiliate of any of the foregoing persons has had, since the incorporation of Hempco, any material interest, direct or indirect, in any transactions that materially affected or would materially affect Hempco.

AUDITOR

The auditors of Hempco are MNP LLP, Chartered Professional Accountants, of 1021 West Hastings Street, Suite 2200, Vancouver, British Columbia, V6E 0C3.

INTERESTS OF EXPERTS

MNP LLP, the auditors for both Veritas and Hempco, are independent within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia. Maarschalk Valuations Inc. prepared the Valuation Report.

The aforementioned firms and persons hold either less than one percent or no securities of either Veritas or Hempco or of any associate or affiliate of either Veritas or Hempco.

None of the directors, officers or employees of MNP LLP or Maarschalk Valuations Inc. are currently, or are expected to be elected, appointed or employed as, a director, officer or employee of either Veritas or Hempco or of any associate or affiliate of Veritas or Hempco.

MATERIAL CONTRACTS

The material contracts which Hempco has entered into or is reliant on since its incorporation are:

1. The Independent Contractors Service Agreement described in “*Appendix C – Information Concerning Hempco – Narrative Description of the Business*”.
2. Lease agreement between Chris Federowich and Delores Federowich as lessees and Henry Carels and Lucinda Carels as lessors described in “*Appendix C – Information Concerning Hempco – Narrative Description of the Business*”.
3. Lease agreement between Chris Federowich and Delores Federowich as lessees and Val Lummens as lessors described in “*Appendix C – Information Concerning Hempco – Narrative Description of the Business*”.
4. The Technology License Agreement described in “*Appendix C – Information Concerning Hempco – Narrative Description of the Business*”.

SCHEDULE A TO APPENDIX C
HEMPCO FINANCIAL STATEMENTS

[See Attached]

INDIGENOUS BLOOM HEMP CORPORATION

Financial Statements

For the Period from July 31, 2019 (date of incorporation) to May 31, 2020

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholder of Indigenous Bloom Hemp Corporation:

Opinion

We have audited the financial statements of Indigenous Bloom Hemp Corporation (the "Company"), which comprise the statement of financial position as at May 31, 2020, and the statement of operations and comprehensive loss, statement of changes in equity and statement of cash flows for the period from July 31, 2019 (date of incorporation) to May 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2020, and its financial performance and its cash flows for the period from July 31, 2019 (date of incorporation) to May 31, 2020 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that during period from July 31, 2019 (date of incorporation) to May 31, 2020, the Company did not generate any revenues and had a net loss of \$384,449. As at May 31, 2020, has a working capital deficit of \$792,620 and an accumulated deficit of \$384,449. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Jian-Kun Xu.

Vancouver, British Columbia

January 11, 2021

MNP LLP

Chartered Professional Accountants

MNP LLP

INDIGENOUS BLOOM HEMP CORPORATION

Statement of Financial Position
(Expressed in Canadian dollars)

	May 31, 2020 \$
Assets	
Current assets	
Prepays	5,000
Total current assets	5,000
Non-current assets	
Property and equipment (Note 3)	419,074
Right of use assets (Note 4)	183,207
Total non-current assets	602,281
Total assets	607,281
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	190,672
Current portion of loan payable (Note 5)	11,514
Current portion of lease liabilities (Note 6)	39,117
Due to related parties (Note 7)	556,317
Total current liabilities	797,620
Non-current liabilities	
Loan payable (Note 5)	37,574
Lease liabilities (Note 6)	156,535
Total non-current liabilities	194,109
Total liabilities	991,729
Shareholder's deficit	
Share capital	1
Deficit	(384,449)
Total shareholder's deficit	(384,448)
Total liabilities and shareholder's deficit	607,281

Nature of operations and continuance of business (Note 1)

Subsequent events (Note 12)

Approved and authorized for issuance on behalf of the Board of Directors on January 11, 2021:

"Allen Szmyrko", Director

Allen Szmyrko, Director

"Joshua Matvieshen", Director

Joshua Matvieshen, Director

(The accompanying notes are an integral part of these financial statements)

INDIGENOUS BLOOM HEMP CORPORATION

Statement of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	For the period from July 31, 2019 (date of incorporation) to May 31, 2020 \$
Expenses	
Depreciation (Notes 3 and 4)	78,801
Interest	14,635
Licenses	42,350
Production costs	225,979
Professional fees	12,285
Repairs and maintenance	2,593
Travel	7,806
Total expenses	384,449
Net loss and comprehensive loss for the period	(384,449)
Net loss per share, basic and diluted	(3,844)
Weighted average shares outstanding	100

(The accompanying notes are an integral part of these financial statements)

INDIGENOUS BLOOM HEMP CORPORATION

Statement of Changes in Equity
(Expressed in Canadian dollars)

	Share capital		Deficit \$	Total shareholder's deficit \$
	Number of shares	Amount \$		
Balance, July 31, 2019 (date of incorporation)	100	1	—	1
Net loss for the period	—	—	(384,449)	(384,449)
Balance, May 31, 2020	100	1	(384,449)	(384,448)

(The accompanying notes are an integral part of these financial statements)

INDIGENOUS BLOOM HEMP CORPORATION

Statement of Cash Flows

(Expressed in Canadian dollars)

	For the period from July 31, 2019 (date of incorporation) to May 31, 2020 \$
Operating activities	
Net loss for the period	(384,449)
Items not involving cash:	
Depreciation	78,801
Interest expense	14,635
Changes in non-cash operating working capital:	
Accounts payable and accrued liabilities	189,730
Due to related parties	101,283
Net cash used in operating activities	—
Change in cash	—
Cash, beginning of period	—
Cash, end of period	—
Non-cash investing and financing activities:	
Property and equipment purchases paid by related parties	393,716
Property and equipment financed by loan payable	55,612
Lease payments paid by related parties	48,527
Loan repayments paid by related parties	6,850

(The accompanying notes are an integral part of these financial statements)

INDIGENOUS BLOOM HEMP CORPORATION

Statement of Cash Flows

(Expressed in Canadian dollars)

1. Nature of Operations and Continuance of Business

Indigenous Bloom Hemp Corporation (the "Company") was incorporated on July 31, 2019 under the Canada Business Corporations Act. Its current focus is the production of hemp for commercial use. The Company's head office is located at Suite 4000, 199 Bay Street, Toronto, ON.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not material and management continues to monitor the situation.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended May 31, 2020, the Company did not generate any revenue and had a net loss of \$384,449. As at May 31, 2020, had a working capital deficit of \$792,620 and an accumulated deficit of \$384,449. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholder and related parties, the ability to raise equity or debt financing, and the attainment of profitable operations from the Company's future business. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board on a going concern basis.

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency.

(b) Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires the Company's management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Useful lives and recoverability of property and equipment

Property, plant and equipment are amortized based on the estimated useful life less their estimated residual value. Actual useful life and residual values may vary depending on a number of factors including internal technical evaluation, physical condition of the assets and experience with similar assets.

Current and deferred taxation

The determination of income tax expense and the composition of deferred income tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred income tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretation, judgements and estimates may materially affect the final

(The accompanying notes are an integral part of these financial statements)

INDIGENOUS BLOOM HEMP CORPORATION

Statement of Cash Flows

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(b) Use of Estimates and Judgments (continued)

amount of current and deferred income tax provisions, deferred income tax assets and liabilities, and results of operations.

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(c) Biological Assets

The Company defines biological assets as hemp plants up to the point of harvest. Biological assets are recorded at fair value less estimated costs to sell, unless fair value cannot be reliably measured, in which case they are measured at cost less accumulated depreciation and impairment losses, in accordance with IAS 41 – Agriculture.

Production costs are capitalized to biological assets and include all direct and indirect costs relating to biological transformation. As at May 31, 2020, the Company has no biological assets.

(d) Property and Equipment

Property and equipment are recorded at cost. The Company depreciates the cost of property and equipment over their estimated useful lives at the following rates:

Building	4% declining balance
Farm equipment	30% declining balance

Residual values and useful economic lives are reviewed at least annually, and adjusted if appropriate, at each reporting date. Subsequent expenditure relating to an item of property and equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance expenses during the period in which they are incurred. Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized net within other income in the statement of operations.

(e) Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there are indicators of impairment for its non-financial assets. If indicators exist, the Company determines if the recoverable amount of the asset or cash generating unit ("CGU") is greater than its carrying amount. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has used geographical proximity, geological similarities, analysis of shared infrastructure, commodity type, assessment of exposure to market risks, and materiality to define its CGUs.

If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in the consolidated statement of operations. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in the consolidated statement of operations. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

(The accompanying notes are an integral part of these financial statements)

INDIGENOUS BLOOM HEMP CORPORATION

Statement of Cash Flows

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(e) Impairment of Non-Financial Assets (continued)

Intangible asset with indefinite useful lives are not amortized but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

(f) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Accounts payable and accrued liabilities	Amortized cost
Loan payable	Amortized cost
Lease liabilities	Amortized cost
Due to related parties	Amortized cost

Financial Assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the

(The accompanying notes are an integral part of these financial statements)

INDIGENOUS BLOOM HEMP CORPORATION

Statement of Cash Flows

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

Financial Assets (continued)

Impairment of financial assets (continued)

initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(g) Leases

At inception of the contract, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to

(The accompanying notes are an integral part of these financial statements)

INDIGENOUS BLOOM HEMP CORPORATION

Statement of Cash Flows

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(g) Leases (continued)

dismantle and remove the underlying asset less any lease incentives. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term. Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36, Impairment of Assets.

The lease liability is initially measured at the present value of lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any, if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be remeasured when there is a change in either the future lease payments or assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and interest on the obligation. Interest expense on the lease obligation is included in the statement of operations.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and low value assets, and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term, as permitted by IFRS 16.

(h) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Revenue and expenses are recorded at the rates on the transaction dates. Foreign exchange gains and losses are included in the statement of operations.

(i) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(The accompanying notes are an integral part of these financial statements)

INDIGENOUS BLOOM HEMP CORPORATION

Statement of Cash Flows

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(j) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the year. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted losses per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at May 31, 2020, the Company had no potentially dilutive shares outstanding.

(k) Comprehensive Loss

Comprehensive loss is the total non-owner change in equity for a reporting period. This change encompasses all changes in equity other than transactions from shareholders. For the period ended May 31, 2020, the Company did not have any transactions impacting comprehensive income (loss).

(l) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended May 31, 2020, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Property and Equipment

	Building \$	Equipment \$	Total \$
Cost:			
Balance, July 31, 2019 (date of incorporation)	—	—	—
Additions	249,548	199,780	449,328
Balance, May 31, 2020	249,548	199,780	449,328
Accumulated depreciation:			
Balance, July 31, 2019 (date of incorporation)	—	—	—
Additions	1,834	28,420	30,254
Balance, May 31, 2020	1,834	28,420	30,254
Carrying amounts:			
As at May 31, 2020	247,714	171,360	419,074

(The accompanying notes are an integral part of these financial statements)

INDIGENOUS BLOOM HEMP CORPORATION

Statement of Cash Flows

(Expressed in Canadian dollars)

4. Right-of-use Assets

Right-of-use assets is comprised of the following:

	Equipment \$
Cost:	
Balance, July 31, 2019 (date of incorporation)	—
Additions	231,754
Balance, May 31, 2020	231,754
Accumulated depreciation:	
Balance, July 31, 2019 (date of incorporation)	—
Additions	48,547
Balance, May 31, 2020	48,547
Carrying amount:	
As at May 31, 2020	183,207

5. Loan Payable

As at May 31, 2020, the Company owed \$49,088 to a non-related party. Under the term of the loan, the amount is secured by first charge over certain of the Company's equipment, bears interest at 4.65% per annum, and is repayable in one payment of \$7,749 and four equal annual installments of \$13,797 to the maturity date of January 1, 2024.

6. Lease Liabilities

	\$
Balance, July 31, 2019 (date of incorporation)	—
Present value of lease obligations at inception	231,754
Less: lease payments	(48,527)
Interest expense	12,425
Balance, May 31, 2020	195,652
Less: current portion	39,117
Non-current portion	156,535

The lease liability was discounted using the rates noted in the lease agreements, which range from 4.36% - 7.50%.

7. Related Party Transactions

- (a) As at May 31, 2020, the Company owed \$551,317 to companies controlled by the sole shareholder of the Company which is unsecured, non-interest bearing, and due on demand.
- (b) As at May 31, 2020, the Company owed \$5,000 to a company with a common director and where the sole shareholder of the Company is a director. The amount owed is unsecured, non-interest bearing, and due on demand.

(The accompanying notes are an integral part of these financial statements)

INDIGENOUS BLOOM HEMP CORPORATION

Statement of Cash Flows

(Expressed in Canadian dollars)

8. Share Capital

Authorized: Unlimited number of Class A common shares without par value

On July 31, 2019, the Company issued 100 common shares for proceeds of \$1 as founder's shares.

9. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from incorporation.

10. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include accounts payable and accrued liabilities, loan payable, lease liabilities, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

The Company does not have any financial instruments that potentially subject the Company to a concentration of credit risk.

(c) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. Foreign exchange risk arises from purchase transactions. The Company is not exposed to significant currency risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company relies on raising debt or equity financing in a timely manner.

(The accompanying notes are an integral part of these financial statements)

INDIGENOUS BLOOM HEMP CORPORATION

Statement of Cash Flows

(Expressed in Canadian dollars)

11. Income Taxes

The Company is subject to Canadian federal and provincial taxes at the rate of 11%. The tax effect of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2020 \$
Canadian statutory income tax rate	27%
Income tax recovery at statutory rate	(103,801)
Tax effect of:	
Permanent differences and other	276
Small business deduction	61,512
Change in unrecognized deferred income tax assets	42,013
Income tax provision	—

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

The following table summarizes the components of deferred tax:

	May 31, 2020 \$
Deferred income tax assets	
Non-capital loss carryforwards	22,868
Deferred income tax liabilities	
Right-of-use assets	(20,153)
Property and equipment	(2,715)
	(22,868)
Net deferred income tax assets (liabilities)	-

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	May 31, 2020 \$
Lease liabilities	195,652
Non-capital losses carried forward	188,598
	384,250

As at May 31, 2020, the Company has a non-capital loss carried forward of \$188,598, which is available to offset future years' taxable income. This loss expires in 2040.

(The accompanying notes are an integral part of these financial statements)

INDIGNEOUS BLOOM HEMP CORPORATION

Notes to the Financial Statements

For the Period from July 31, 2019 (date of incorporation) to May 31, 2020

(Expressed in Canadian dollars)

12. Subsequent Events

- (a) On June 1, 2020, the Company signed a service contract with a third-party contractor for farming and cultivation services. Per the agreement, the contractor is to receive \$400 per acre planted and \$600 per acre harvested, with a minimum area cultivated of 200 acres.
- (b) On June 15, 2020, the Company cancelled the 100 founder's shares.
- (c) On June 15, 2020, the Company issued 3,500,000 common shares at \$0.005 per share for proceeds of \$17,500 to the sole shareholder of the Company.
- (d) On June 15, 2020, the Company issued 16,500,000 common shares at \$0.02 per share for proceeds of \$330,000, to the sole shareholder of the Company.
- (e) On September 4, 2020, the Company entered into an agreement to be acquired by Veritas Pharma Inc. ("Veritas"). The Company will transfer 100% of its issued and outstanding shares for aggregate consideration of \$28,000,000 to be provided in common shares of Veritas, at a deemed price per share equal to the closing price on the CSE on the day prior to closing.
- (f) Subsequent to May 31, 2020, the Company received loan proceeds of \$40,156 from the sole shareholder of the Company and \$4,520 from a company controlled by the sole shareholder of the Company. The loans payable is non-interest bearing, unsecured, and due on demand.

INDIGENOUS BLOOM HEMP CORPORATION

Condensed Financial Statements

Six Months Ended November 30, 2020

(Expressed in Canadian dollars)

(unaudited)

INDIGENOUS BLOOM HEMP CORPORATION

Condensed Statements of Financial Position
(Expressed in Canadian dollars)

	November 30, 2020 \$	May 31, 2020 \$
	(unaudited)	
Assets		
Current assets		
Cash	120,911	—
GST receivable	861	—
Prepaid expenses	—	5,000
Total current assets	121,772	5,000
Non-current assets		
Property and equipment (Note 3)	449,553	419,074
Right-of-use assets (Note 4)	158,680	183,207
Total non-current assets	608,233	602,281
Total assets	730,005	607,281
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	169,611	190,672
Current portion of loan payable (Note 5)	11,514	11,514
Current portion of lease liabilities (Note 6)	41,117	39,117
Due to related parties (Note 7)	643,372	556,317
Total current liabilities	865,614	797,620
Non-current liabilities		
Loan payable (Note 5)	37,574	37,574
Lease liabilities (Note 6)	124,479	156,535
Total non-current liabilities	162,053	194,109
Total liabilities	1,027,667	991,729
Shareholder's deficit		
Share capital (Note 8)	347,501	1
Deficit	(645,163)	(384,449)
Total shareholder's deficit	(297,662)	(384,448)
Total liabilities and shareholder's deficit	730,005	607,281

Nature of operations and continuance of business (Note 1)
Commitment (Note 9)
Subsequent events (Note 11)

Approved and authorized for issuance on behalf of the Board of Directors on February 10, 2021:

/s/ "Allen Szmyrko"

Allen Szmyrko, Director

/s/ "Joshua Matvieshen"

Joshua Matvieshen, Director

(The accompanying notes are an integral part of these condensed financial statements)

INDIGENOUS BLOOM HEMP CORPORATION

Condensed Statements of Operations and Comprehensive Loss
 (Expressed in Canadian dollars)
 (unaudited)

	Three months ended November 30, 2020 \$	Three months ended November 30, 2019 \$	Six months ended November 30, 2020 \$	Period from July 31, 2019 (date of incorporation) to November 30, 2019 \$
Expenses				
Depreciation (Notes 3 and 4)	26,245	17,564	58,589	39,030
Interest	3,048	3,352	6,816	6,710
Licenses	—	—	1,090	—
Production costs	164,425	63,853	174,081	167,966
Professional fees	17,085	—	19,133	—
Repairs and maintenance	1,005	—	1,005	2,593
Travel	—	2,932	—	7,806
Total expenses	211,808	87,701	260,714	224,105
Net loss and comprehensive loss for the period	(211,808)	(87,701)	(260,714)	(224,105)
Net loss per share, basic and diluted	(0.01)	(877)	(0.01)	(2,241)
Weighted average shares outstanding	20,000,000	100	18,360,664	100

(The accompanying notes are an integral part of these condensed financial statements)

INDIGENOUS BLOOM HEMP CORPORATION

Condensed Statements of Changes in Equity
(Expressed in Canadian dollars)
(unaudited)

	Share capital		Deficit \$	Total shareholder's deficit \$
	Number of shares	Amount \$		
Balance, May 31, 2020	100	1	(384,449)	(384,448)
Shares returned and cancelled	(100)	—	—	—
Shares issued	20,000,000	347,500	—	347,500
Net loss for the period	—	—	(260,714)	(260,714)
Balance, November 30, 2020	20,000,000	347,501	(645,163)	(297,662)
Balance, July 31, 2019 (date of incorporation)	100	1	—	1
Net loss for the period	—	—	(224,105)	(224,105)
Balance, November 30, 2019	100	1	(224,105)	(224,104)

(The accompanying notes are an integral part of these condensed financial statements)

INDIGENOUS BLOOM HEMP CORPORATION

Condensed Statements of Cash Flows
 (Expressed in Canadian dollars)
 (unaudited)

	Six months ended November 30, 2020 \$	Period from July 31, 2019 (date of incorporation) to November 30, 2019 \$
Operating activities		
Net loss for the period	(260,714)	(224,105)
Items not involving cash:		
Depreciation	58,589	39,030
Interest expense	5,674	6,710
Changes in non-cash operating working capital:		
GST receivable	(861)	—
Prepaid expenses	5,000	—
Accounts payable and accrued liabilities	(21,061)	125,625
Due to related parties	(41,655)	52,740
Net cash used in operating activities	(255,028)	—
Financing Activities		
Proceeds from related parties	28,439	—
Proceeds from issuance of common shares	347,500	—
Net cash provided by financing activities	375,939	—
Change in cash	120,911	—
Cash, beginning of period	—	—
Cash, end of period	120,911	—
Non-cash investing and financing activities:		
Property and equipment purchases paid by related parties	64,541	403,086
Property and equipment financed by loan payable	—	55,612
Lease payments paid by related parties	35,730	35,730

(The accompanying notes are an integral part of these condensed financial statements)

INDIGENOUS BLOOM HEMP CORPORATION

Notes to the Condensed Financial Statements
Six Months Ended November 30, 2020
(Expressed in Canadian dollars)
(unaudited)

1. Nature of Operations and Continuance of Business

Indigenous Bloom Hemp Corporation (the "Company") was incorporated on July 31, 2019 under the Canada Business Corporations Act. Its current focus is the production of hemp for commercial use. The Company's head office is located at Suite 4000, 199 Bay Street, Toronto, ON.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

These condensed financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at November 30, 2020, the Company has not generated any revenues from operations, has a working capital deficit of \$743,842, and has an accumulated deficit of \$645,163. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability to raise equity or debt financing, and the attainment of profitable operations from the Company's future business. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These condensed financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Preparation

These condensed financial statements have been prepared in accordance with International Financial Reporting Standards applicable to interim financial information, as outlined in International Accounting Standard ("IAS") 34, "Interim Financial Reporting" and using the accounting policies consistent with those in the audited financial statements as at and for the period ended May 31, 2020.

These condensed financial statements do not include all disclosures normally provided in annual financial statements and should be read in conjunction with the annual financial statements as at and for the period ended May 31, 2020. Interim results are not necessarily indicative of the results expected for the fiscal year.

(b) Accounting Standards Issued But Not Yet Effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

INDIGENOUS BLOOM HEMP CORPORATION

Notes to the Condensed Financial Statements
Six Months Ended November 30, 2020
(Expressed in Canadian dollars)
(unaudited)

3. Property and Equipment

	Building \$	Equipment \$	Total \$
Cost:			
Balance, May 31, 2020	249,548	199,780	449,328
Additions	22,105	42,436	64,541
Balance, November 30, 2020	271,653	242,216	513,869
Accumulated depreciation:			
Balance, May 31, 2020	1,834	28,420	30,254
Additions	5,175	28,887	34,062
Balance, November 30, 2020	7,009	57,307	64,316
Carrying amounts:			
As at May 31, 2020	247,714	171,360	419,074
As at November 30, 2020	264,644	184,909	449,553

4. Right-of-use Assets

Right-of-use assets is comprised of the following:

	Equipment \$
Cost:	
Balance, May 31, 2020 and November 30, 2020	231,754
Accumulated depreciation:	
Balance, May 31, 2020	48,547
Additions	24,527
Balance, November 30, 2020	73,074
Carrying amount:	
As at May 31, 2020	183,207
As at November 30, 2020	158,680

5. Loan Payable

As at November 30, 2020, the Company owed \$49,088 (May 31, 2020 - \$49,088) to a non-related party. Under the term of the loan, the amount is secured by first charge over certain of the Company's equipment, bears interest at 4.65% per annum, and is repayable in one payment of \$7,749 and four equal annual installments of \$13,797 to the maturity date of January 1, 2024.

INDIGENOUS BLOOM HEMP CORPORATION

Notes to the Condensed Financial Statements
Six Months Ended November 30, 2020
(Expressed in Canadian dollars)
(unaudited)

6. Lease Liabilities

	\$
Balance, May 31, 2020	195,652
Principal payments	(35,730)
Interest payments	5,674
Balance, November 30, 2020	165,596
Less: current portion	41,117
Non-current portion	124,479

The lease liability was discounted using the rates noted in the lease agreements, which range from 4.36% - 7.50%.

7. Related Party Transactions

- (a) As at November 30, 2020, the Company owed \$638,372 (May 31, 2020 - \$551,317) to the sole shareholder and companies controlled by the sole shareholder of the Company. The amount is unsecured, non-interest bearing, and due on demand.
- (b) As at November 30, 2020, the Company owed \$5,000 (May 31, 2020 - \$5,000) to a company with a common director and where the sole shareholder of the Company is a director. The amount owed is unsecured, non-interest bearing, and due on demand.

8. Share Capital

- (a) On June 15, 2020, the Company cancelled 100 founder's shares.
- (b) On June 15, 2020, the Company issued 3,500,000 common shares at \$0.005 per share for proceeds of \$17,500 to the sole shareholder of the Company.
- (c) On June 15, 2020, the Company issued 16,500,000 common shares at \$0.02 per share for proceeds of \$330,000 to the sole shareholder of the Company.

9. Commitment

On June 1, 2020, the Company entered into a one year service contract with a third-party contractor for farming and cultivation services. Per the agreement, the contractor is to receive \$400 per acre planted and \$600 per acre harvested, with a minimum area cultivated of 200 acres.

10. Proposed Transaction

On September 4, 2020, the Company entered into an agreement to be acquired by Veritas Pharma Inc. ("Veritas"). The Company will transfer 100% of its issued and outstanding shares for aggregate consideration of \$28,000,000 to be provided in common shares of Veritas, at a deemed price per share equal to the closing price on the CSE on the day prior to closing.

11. Subsequent Events

- (a) Subsequent to November 30, 2020, the Company received loan proceeds of \$11,794 from the sole shareholder of the Company. The loans payable is non-interest bearing, unsecured, and due on demand.
- (b) Subsequent to November 30, 2020, the Company repaid loans payable of \$44,421 to the sole shareholder of the Company.

INDIGENOUS BLOOM HEMP CORPORATION

Notes to the Condensed Financial Statements

Six Months Ended November 30, 2020

(Expressed in Canadian dollars)

(unaudited)

11. Subsequent Events (continued)

- (c) On January 21, 2021, the Company executed a Technology License Agreement dated November 30, 2020 with a third party ("Licensor"). The Licensor has developed and invented patent pending technology that can efficiently separate hemp and cannabis plant matter making the harvesting costs effective and streamlined (the "Technology"). The Company and the Licensor intend to commercialize the Technology. The Licensor will be responsible for the support and services of the Technology for a period of five years from November 30, 2020. The Company has an exclusive, worldwide license for which it will pay a license fee of \$1,200,000 to the Licensor. The Licensor will also be entitled to a royalty of 8% of gross sales on licensed products which are manufactured and sold by the licensee during the term of the agreement.

SCHEDULE B TO APPENDIX C
HEMPCO MD&A

[See Attached]

INDIGENOUS BLOOM HEMP CORPORATION

Management's Discussion & Analysis

Period Ended May 31, 2020

DATE OF REPORT: January 11, 2021

The following Management's Discussion and Analysis ("MD&A") should be read together with the audited financial statements and accompanying notes for the period ended May 31, 2020 and related notes hereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This management's discussion and analysis includes certain statements that may be deemed "forward- looking statements". Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guaranteeing of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

This MD&A contains certain "forward-looking statements" and certain "forward-looking information" as defined under applicable Canadian securities laws that may not be based on historical fact, including, without limitation, statements containing the words "believe", "may", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect" and similar expressions. Forward-looking statements are necessarily based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as the factors we believe are appropriate. Forward-looking statements in this MD&A include but are not limited to statements relating to:

- *our ability to obtain funding for our operations, including funding for commercial activities;*
- *our ability to achieve profitability;*
- *our ability to establish and maintain relationships with collaborators with acceptable development, regulatory and commercialization expertise and the benefits to be derived from such collaborative efforts;*
- *the implementation of our business model and strategic plans;*
- *our ability to develop and commercialize our products;*
- *our expectations regarding federal, provincial, and foreign regulatory requirements;*
- *the accuracy of our estimates of the size and characteristics of the markets that may be addressed by our products;*
- *our expectations regarding market risk, including interest rate changes, and foreign currency fluctuations;*
- *our ability to engage and retain the consultants/employees required to grow our business;*
- *the compensation that is expected to be paid to employees and consultants of the Company;*
- *our future financial performance and projected expenditures;*
- *developments relating to our competitors and our industry; and*
- *estimates of our expenses, capital requirements, and our needs for additional financing.*

Such statements reflect our current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements. In making the forward- looking statements included in this MD&A, the Company has made various material assumptions, including, but not limited to: (i) obtaining regulatory approvals; (ii) general business and economic conditions; (iii) the availability of financing on reasonable terms; (iv) the Company's ability to attract and retain skilled staff; (v) market competition; and (vi) the products offered by the Company's competitors.

In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined below under the heading "Financial Instruments and Risks". Should one or more of these risks or uncertainties, or a risk that is not currently known to us materialize, or should

assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. These forward-looking statements are made as of the date of this MD&A and we do not intend, and do not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

OVERVIEW

Indigenous Bloom Hemp Corporation (the “Company”) currently operates a large-scale industrial hemp farm in Southern Manitoba on approximately 200 acres of zoned farmland.

For the 2020 harvest year, the Company seeded 200 acres with an option to cultivate an additional 200 acres.

The Company’s license application is currently being processed by Health Canada and the Company expects to be fully licensed under the Cannabis Act to cultivate, and handle Hemp as per the 2018 Cannabis Act (as defined below).

The primary business of the Company is the sale of hemp biomass and flower (“Hemp”), phytocannabinoid rich (“PCR”) extracts derived from hemp biomass (“Hemp Extracts”). The Company is currently in the process of developing, through acquisition and construction, Hemp Products for general consumer end-use. All of the PCR Hemp, Hemp Extracts and future Hemp Products sold by the Company contain (or will contain, as applicable) less than 0.3% THC (as defined below), ensuring that they are compliant with the Cannabis Act (as defined below), thus falling under the definition of industrial hemp.

Beyond Manitoba, the Company is currently either engaged in, or negotiating, processing agreements in British Columbia and other provinces, making it possible to have sales of CBC concentrate in 2021. Based upon historical yields in each region, the Company is projecting a 2021 fall harvest of approximately 5,400 kg of Hemp concentrate on each 200 acres planted.

Cultivation Operations

The growing region in Manitoba is widely regarded in the industry as one of the best climates in North America for the cultivation of Hemp and is a key part of the Company’s growth strategy.

The Company is currently planting crops using cannabidiol (“CBD”) dominant genetics. These genetics are projected to yield plants that contain a minimum of 5% CBD content.

As part of its long-term growth and efficiency protocols, the Company has mechanized substantial parts of its operation, including the use of combines for harvesting, and tunnel/barrel dryers for post harvesting.

Processing

The Company is already engaged with Health Canada Licensed extraction firms to do contract extraction services.

Our Products

The Company currently has two primary products which it plans to sell and is in the process of expanding its product line. The Company’s primary product to date is Hemp Biomass, which is sold pre-processed to customers and partners who process the biomass into Hemp Extracts. The Company has cultivated approximately 100,000 kg of Hemp Biomass to date.

Development of Business

The Company has negotiated the purchase of Intellectual Property (specialized processing procedures and systems) as well as patent pending machinery to concentrate its biomass at the cost of \$1.2 million. This will allow for onsite processing as the 2021 crop is harvested. Further processing at the consumer level is planned once licensing is granted and in late 2022 further refinement of the product will take place in a newly designed

facility

Competition within the Industry

The markets for businesses in the CBD and hemp oil industries are competitive and evolving. In particular, the Company faces strong competition from both existing and emerging companies that offer similar products. Some of its current and potential competitors may have longer operating histories, greater financial, marketing and other resources and larger customer bases than the Company. Given the rapid changes affecting the global, national, and regional economies generally and the CBD industry in particular, the Company may not be able to create and maintain a competitive advantage in the marketplace. The Company's success will depend on its ability to keep pace with any changes in such markets, especially in light of legal and regulatory changes. Its success will depend on the Company's ability to respond to, among other things, changes in the economy, market conditions, and competitive pressures. Any failure by the Company to anticipate or respond adequately to such changes could have a material adverse effect on its financial condition, operating results, liquidity, cash flow and operational performance.

Intra-Industry Competition

The number of competitors in the Company's market segment is expected to increase, both nationally and internationally, which could negatively impact the Company's market share and demand for products. The introduction of a recreational model for marijuana production and distribution in various jurisdictions may cause producers in those jurisdictions to expand beyond the medical marijuana market and compete with the Company's products. The impact of this potential development may be negative for the Company and could result in increased levels of competition in its existing market and/or the entry of new competitors in the overall cannabis market in which the Company operates. There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company. The Company also faces competition from producers who may not comply with applicable regulations. As a result, such producers may have lower operating costs, make impermissible claims and utilize other competitive advantages based on circumvention of regulatory requirements. To remain competitive, the Company will require continued significant investment in research and development, marketing, sales and customer support. The Company may not have sufficient resources to maintain research and development, marketing, sales and customer support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Company. As well, the legal landscape for the Company's products is changing internationally. More countries have passed laws that allow for the production and distribution of cannabis in some form or another. Increased international competition might lower the demand for the Company's products on a global scale. See - Risk Factors.

Short Term Objectives and How We Intend to Achieve Them

Short term success will be influenced by the achievement of full mechanization of harvest and post harvest processing. The Company's objectives include having the harvesting equipment operating at maximum yield with the ability to process over 1,000 acres per season of which will be a mix of the company's product as well as 3rd party harvest product which would be sub-contracted. Profitability of the short-term successes will directly impact the Company's ability to meet its long-term objectives.

Long Term Objectives Business

The Company's long-term objective is to achieve vertical integration of its operations, positioning itself as a leading producer of industrial hemp and pharmaceutical grade hemp derived products in North America and globally. The Company plans to eventually produce its own distillate and sell its own product. The Company anticipates being able to apply for its own sales license in the next six months and its processing license within the next twelve to eighteen months. The Company anticipates it will be able to achieve initial vertical integration capability by 2022, at a total estimated cost of \$2 million.

Beyond this, the Company intends to continue expansion of its consumer-packaged-goods formulation and manufacturing capability, either through internal growth, acquisitions and or joint ventures along with construction of a larger facility in 2023, at an estimated total cost of \$5 million.

SELECTED ANNUAL INFORMATION

The following table sets forth selected audited financial information of the Company from its first financial period ended May 31:

	2020 \$
Net loss	(384,449)
Basic and diluted loss per share	(3,844.49)
Total assets	607,281

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the most recently completed quarters since incorporation on July 31, 2019:

	Quarter ended			
	5/31/20 \$	2/29/20 \$	11/30/19 \$	8/31/19
Revenue	—	—	—	—
Net loss	(117,272)	(43,072)	(87,701)	(136,404)
Loss per share, basic and diluted	(1,172.72)	(430.72)	(877.01)	(1,364.04)

LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2020, the Company had a working capital deficit of \$792,620.

On June 15, 2020, the Company issued 3,500,000 common shares at \$0.005 per share for proceeds of \$17,500 to the sole shareholder of the Company.

On June 15, 2020, the Company issued 16,500,000 common shares at \$0.02 per share for proceeds of \$330,000, to the sole shareholder of the Company.

Subsequent to May 31, 2020, the Company received loan proceeds of \$40,156 from the sole shareholder of the Company and \$4,520 from a company controlled by the sole shareholder of the Company. The loans payable is non-interest bearing, unsecured, and due on demand.

The Company will require additional working capital to meet its primary business objectives over the next 12 months. Since the Company will not be able to generate cash from its operations for the foreseeable future, the Company will have to rely on the funding through future equity issuances and through short-term borrowing in order to fund ongoing operations and to meet its obligations. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

FOURTH QUARTER

See Summary of Quarterly Results.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

An analysis of the material components of the Company's general and administrative expenses is disclosed in the audited financial statements for the period ended May 31, 2020 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

As at January 11, 2021, the Company has 20,000,000 shares outstanding.

Share Purchase Warrants

As at January 11, 2021, the Company does not have any share purchase warrants outstanding.

Stock Options

As at January 11, 2021, the Company does not have any stock options outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no undisclosed off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on its results of operations, financial condition, revenues or expenses, liquidity, capital expenditures, or capital resources that is material to investors.

RELATED PARTY TRANSACTIONS

As at May 31, 2020, the Company owed \$153,964 to Aboriginal Power Corp., a company controlled by Michael Matvieshen, the sole shareholder of the Company, which is unsecured, non-interest bearing, and due on demand.

As at May 31, 2020, the Company owed \$397,353 to Tycor UPS Systems Inc., a company controlled by Michael Matvieshen, the sole shareholder of the Company which is unsecured, non-interest bearing, and due on demand.

As at May 31, 2020, the Company owed \$5,000 to a company with a common director and where Michael Matvieshen, the sole shareholder of the Company, is a director. The amount owed is unsecured, non-interest bearing, and due on demand.

PROPOSED TRANSACTION

On September 4, 2020, the Company entered into an agreement to be acquired by Veritas Pharma Inc. ("Veritas"). The Company will transfer 100% of its issued and outstanding shares for aggregate consideration of \$28,000,000 to be provided in common shares of Veritas, at a deemed price per share equal to the closing price on the CSE on the day prior to closing.

CHANGES IN OR ADOPTION OF ACCOUNTING POLICIES

Recent Accounting Pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended May 31, 2020, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Values

The fair value of financial instruments, which included accounts payable and accrued liabilities, loan payable, lease liabilities, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

The Company does not have any financial instruments that potentially subject the Company to a concentration of credit risk.

Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. Foreign exchange risk arises from purchase transactions. The Company is not exposed to significant currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Additional Risk Factors

Public Health Crises

Global or national health concerns, including the outbreak of pandemic or contagious diseases, such as COVID-19, may adversely affect the Company. The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises. The Company expects to experience some short to medium term negative impacts from the COVID-19 outbreak; however, the extent of such impacts is currently unquantifiable, but may be significant. Such impacts include, with respect to its operations, the ability of the Company to access debt or equity capital on acceptable terms or at all.

Negative Cash Flow from Operations

During the period ended May 31, 2020, the Company had negative cash flows from operating activities. To the extent that the Company has negative cash flow in any future period, the net proceeds from future financings may be used to fund such negative cash flow from operating activities.

Change in Laws, Regulations, and Guidelines Relating to Hemp and Related Issues

The Company's operations are subject to a variety laws, regulations and guidelines including relating to the manufacture, management, transportation, storage, and disposal of medical marijuana as well as laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Approval policies, laws, regulations and guidelines may change during the course of a product candidate's clinical development and may vary among jurisdictions. Any delays in obtaining, or failure to obtain regulatory

approvals, including at the pre-clinical, clinical or marketing stage, would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

Dependence on Key Personnel

The Company strongly depends on the business and technical expertise of its management and it is unlikely that this dependence will decrease in the near term. Loss of the Company's key personnel could slow the Company's ability to innovate, although the effect on ongoing operations would be manageable as experienced key operations personnel could be put in place. As the Company's operations expand, additional general management resources will be required.

If the Company expands its operations, the ability of the Company to recruit, train, integrate and manage a large number of new employees/consultants is uncertain and failure to do so would have a negative impact on the Company's business plans.

INDIGENOUS BLOOM HEMP CORPORATION

Management's Discussion & Analysis

Quarter Ended November 30, 2020

DATE OF REPORT: February 11, 2021

The following Management's Discussion and Analysis ("MD&A") should be read together with the unaudited condensed financial statements and accompanying notes for the quarter ended November 30, 2020 and related notes hereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This management's discussion and analysis includes certain statements that may be deemed "forward- looking statements". Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guaranteeing of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

This MD&A contains certain "forward-looking statements" and certain "forward-looking information" as defined under applicable Canadian securities laws that may not be based on historical fact, including, without limitation, statements containing the words "believe", "may", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect" and similar expressions. Forward-looking statements are necessarily based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as the factors we believe are appropriate. Forward-looking statements in this MD&A include but are not limited to statements relating to:

- *our ability to obtain funding for our operations, including funding for commercial activities;*
- *our ability to achieve profitability;*
- *our ability to establish and maintain relationships with collaborators with acceptable development, regulatory and commercialization expertise and the benefits to be derived from such collaborative efforts;*
- *the implementation of our business model and strategic plans;*
- *our ability to develop and commercialize our products;*
- *our expectations regarding federal, provincial, and foreign regulatory requirements;*
- *the accuracy of our estimates of the size and characteristics of the markets that may be addressed by our products;*
- *our expectations regarding market risk, including interest rate changes, and foreign currency fluctuations;*
- *our ability to engage and retain the consultants/employees required to grow our business;*
- *the compensation that is expected to be paid to employees and consultants of the Company;*
- *our future financial performance and projected expenditures;*
- *developments relating to our competitors and our industry; and*
- *estimates of our expenses, capital requirements, and our needs for additional financing.*

Such statements reflect our current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements. In making the forward- looking statements included in this MD&A, the Company has made various material assumptions, including, but not limited to: (i) obtaining regulatory approvals; (ii) general business and economic conditions; (iii) the availability of financing on reasonable terms; (iv) the Company's ability to attract and retain skilled staff; (v) market competition; and (vi) the products offered by the Company's competitors.

In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined below under the heading "Financial Instruments and Risks". Should one or more of these risks or uncertainties, or a risk that is not currently known to us materialize, or should

assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. These forward-looking statements are made as of the date of this MD&A and we do not intend, and do not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

OVERVIEW

Indigenous Bloom Hemp Corporation (the “Company”) currently operates a large-scale industrial hemp farm in southern Manitoba on approximately 200 acres of zoned farmland.

For the 2020 harvest year, the Company seeded 200 acres with an option to cultivate an additional 200 acres.

The Company’s license application is currently being processed by Health Canada and the Company expects to be fully licensed under the Cannabis Act to cultivate, and handle Hemp as per the 2018 Cannabis Act (as defined below).

The primary business of the Company is the sale of hemp biomass and flower (“Hemp”), phytocannabinoid rich (“PCR”) extracts derived from hemp biomass (“Hemp Extracts”). The Company is currently in the process of developing, through acquisition and construction, Hemp Products for general consumer end-use. All of the PCR Hemp, Hemp Extracts and future Hemp Products sold by the Company contain (or will contain, as applicable) less than 0.3% THC (as defined below), ensuring that they are compliant with the Cannabis Act (as defined below), thus falling under the definition of industrial hemp.

Beyond Manitoba, the Company is currently either engaged in, or negotiating, processing agreements in British Columbia and other provinces, making it possible to have sales of CBC concentrate in 2021. Based upon historical yields in each region, the Company is projecting a 2021 fall harvest of approximately 5,400 kg of Hemp concentrate on each 200 acres planted.

Cultivation Operations

The growing region in Manitoba is widely regarded in the industry as one of the best climates in North America for the cultivation of Hemp and is a key part of the Company’s growth strategy.

The Company is currently planting crops using cannabidiol (“CBD”) dominant genetics. These genetics are projected to yield plants that contain a minimum of 5% CBD content.

As part of its long-term growth and efficiency protocols, the Company has mechanized substantial parts of its operation, including the use of combines for harvesting, and tunnel/barrel dryers for post harvesting.

Processing

The Company is already engaged with Health Canada Licensed extraction firms to do contract extraction services.

Our Products

The Company currently has two primary products which it plans to sell and is in the process of expanding its product line. The Company’s primary product to date is Hemp Biomass, which is sold pre-processed to customers and partners who process the biomass into Hemp Extracts. The Company has cultivated approximately 100,000 kg of Hemp Biomass to date.

Development of Business

The Company has negotiated the purchase of Intellectual Property (specialized processing procedures and systems) as well as patent pending machinery to concentrate its biomass at the cost of \$1.2 million. This will allow for onsite processing as the 2021 crop is harvested. Further processing at the consumer level is planned once licensing is granted and in late 2022 further refinement of the product will take place in a newly designed

facility

Competition within the Industry

The markets for businesses in the CBD and hemp oil industries are competitive and evolving. In particular, the Company faces strong competition from both existing and emerging companies that offer similar products. Some of its current and potential competitors may have longer operating histories, greater financial, marketing and other resources and larger customer bases than the Company. Given the rapid changes affecting the global, national, and regional economies generally and the CBD industry in particular, the Company may not be able to create and maintain a competitive advantage in the marketplace. The Company's success will depend on its ability to keep pace with any changes in such markets, especially in light of legal and regulatory changes. Its success will depend on the Company's ability to respond to, among other things, changes in the economy, market conditions, and competitive pressures. Any failure by the Company to anticipate or respond adequately to such changes could have a material adverse effect on its financial condition, operating results, liquidity, cash flow and operational performance.

Intra-Industry Competition

The number of competitors in the Company's market segment is expected to increase, both nationally and internationally, which could negatively impact the Company's market share and demand for products. The introduction of a recreational model for marijuana production and distribution in various jurisdictions may cause producers in those jurisdictions to expand beyond the medical marijuana market and compete with the Company's products. The impact of this potential development may be negative for the Company and could result in increased levels of competition in its existing market and/or the entry of new competitors in the overall cannabis market in which the Company operates. There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company. The Company also faces competition from producers who may not comply with applicable regulations. As a result, such producers may have lower operating costs, make impermissible claims and utilize other competitive advantages based on circumvention of regulatory requirements. To remain competitive, the Company will require continued significant investment in research and development, marketing, sales and customer support. The Company may not have sufficient resources to maintain research and development, marketing, sales and customer support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Company. As well, the legal landscape for the Company's products is changing internationally. More countries have passed laws that allow for the production and distribution of cannabis in some form or another. Increased international competition might lower the demand for the Company's products on a global scale. See - Risk Factors.

Short Term Objectives and How We Intend to Achieve Them

Short term success will be influenced by the achievement of full mechanization of harvest and post harvest processing. The Company's objectives include having the harvesting equipment operating at maximum yield with the ability to process over 1,000 acres per season of which will be a mix of the company's product as well as 3rd party harvest product which would be sub-contracted. Profitability of the short-term successes will directly impact the Company's ability to meet its long-term objectives.

Long Term Objectives Business

The Company's long-term objective is to achieve vertical integration of its operations, positioning itself as a leading producer of industrial hemp and pharmaceutical grade hemp derived products in North America and globally. The Company plans to eventually produce its own distillate and sell its own product. The Company anticipates being able to apply for its own sales license in the next six months and its processing license within the next twelve to eighteen months. The Company anticipates it will be able to achieve initial vertical integration capability by 2022, at a total estimated cost of \$2 million.

Beyond this, the Company intends to continue expansion of its consumer-packaged-goods formulation and manufacturing capability, either through internal growth, acquisitions and or joint ventures along with construction of a larger facility in 2023, at an estimated total cost of \$5 million.

On January 21, 2021, the Company executed a Technology License Agreement dated November 30, 2020 with a third party ("Licensor"). The Licensor has developed and invented patent pending technology that can efficiently separate hemp and cannabis plant matter making the harvesting costs effective and streamlined (the "Technology"). The Company and the Licensor intend to commercialize the Technology. The Licensor will be responsible for the support and services of the Technology for a period of five years from November 30, 2020. The Company has an exclusive, worldwide license for which it will pay a license fee of \$1,200,000 to the Licensor. The Licensor will also be entitled to a royalty of 8% of gross sales on licensed products which are manufactured and sold by the licensee during the term of the agreement.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the most recently completed quarters since incorporation on July 31, 2019:

	Quarter ended					
	11/30/20	8/31/20	5/31/20	2/29/20	11/30/19	8/31/19
		\$	\$	\$	\$	\$
Revenue	—	—	—	—	—	—
Net loss	(211,808)	(48,906)	(117,272)	(43,072)	(87,701)	(136,404)
Loss per share, basic and diluted	(0.01)	—	(1,172.72)	(430.72)	(877.01)	(1,364.04)

LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2020, the Company had a working capital deficit of \$743,842 (May 31, 2020 - \$792,620).

On June 15, 2020, the Company issued 3,500,000 common shares at \$0.005 per share for proceeds of \$17,500 to the sole shareholder of the Company.

On June 15, 2020, the Company issued 16,500,000 common shares at \$0.02 per share for proceeds of \$330,000, to the sole shareholder of the Company.

The Company will require additional working capital to meet its primary business objectives over the next 12 months. Since the Company will not be able to generate cash from its operations for the foreseeable future, the Company will have to rely on the funding through future equity issuances and through short-term borrowing in order to fund ongoing operations and to meet its obligations. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

An analysis of the material components of the Company's general and administrative expenses is disclosed in the unaudited condensed financial statements for the quarter ended November 30, 2020 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

As at February 11, 2021, the Company has 20,000,000 shares outstanding.

Share Purchase Warrants

As at February 11, 2021, the Company does not have any share purchase warrants outstanding.

Stock Options

As at February 11, 2021, the Company does not have any stock options outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no undisclosed off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on its results of operations, financial condition, revenues or expenses, liquidity, capital expenditures, or capital resources that is material to investors.

RELATED PARTY TRANSACTIONS

As at November 30, 2020, the Company owed \$28,439 (May 31, 2020 - \$nil) to Michael Matvieshen, the sole shareholder of the Company, which is unsecured, non-interest bearing, and due on demand.

As at November 30, 2020, the Company owed \$153,964 (May 31, 2020 - \$153,964) to Aboriginal Power Corp., a company controlled by Michael Matvieshen, the sole shareholder of the Company, which is unsecured, non-interest bearing, and due on demand.

As at November 30, 2020, the Company owed \$455,968 (May 31, 2020 - \$397,353) to Tycor UPS Systems Inc., a company controlled by Michael Matvieshen, the sole shareholder of the Company which is unsecured, non-interest bearing, and due on demand.

As at November 30, 2020, the Company owed \$5,000 (May 31, 2020 - \$5,000) to a company with a common director and where Michael Matvieshen, the sole shareholder of the Company, is a director. The amount owed is unsecured, non-interest bearing, and due on demand.

PROPOSED TRANSACTION

On September 4, 2020, the Company entered into an agreement to be acquired by Veritas Pharma Inc. ("Veritas"). The Company will transfer 100% of its issued and outstanding shares for aggregate consideration of \$28,000,000 to be provided in common shares of Veritas, at a deemed price per share equal to the closing price on the CSE on the day prior to closing.

CHANGES IN OR ADOPTION OF ACCOUNTING POLICIES

Recent Accounting Pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended November 30, 2020, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Values

The fair values of financial instruments, which includes cash, accounts payable and accrued liabilities, loan payable, lease liabilities, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

The Company does not have any financial instruments that potentially subject the Company to a concentration of credit risk.

Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. Foreign exchange risk arises from purchase transactions. The Company is not exposed to significant currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Additional Risk Factors

Public Health Crises

Global or national health concerns, including the outbreak of pandemic or contagious diseases, such as COVID-19, may adversely affect the Company. The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises. The Company expects to experience some short to medium term negative impacts from the COVID-19 outbreak; however, the extent of such impacts is currently unquantifiable, but may be significant. Such impacts include, with respect to its operations, the ability of the Company to access debt or equity capital on acceptable terms or at all.

Negative Cash Flow from Operations

During the quarter ended November 30, 2020, the Company had negative cash flows from operating activities. To the extent that the Company has negative cash flow in any future period, the net proceeds from future financings may be used to fund such negative cash flow from operating activities.

Change in Laws, Regulations, and Guidelines Relating to Hemp and Related Issues

The Company's operations are subject to a variety laws, regulations and guidelines including relating to the manufacture, management, transportation, storage, and disposal of medical marijuana as well as laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Approval policies, laws, regulations and guidelines may change during the course of a product candidate's clinical development and may vary among jurisdictions. Any delays in obtaining, or failure to obtain regulatory approvals, including at the pre-clinical, clinical or marketing stage, would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

Dependence on Key Personnel

The Company strongly depends on the business and technical expertise of its management and it is unlikely that this dependence will decrease in the near term. Loss of the Company's key personnel could slow the Company's ability to innovate, although the effect on ongoing operations would be manageable as experienced

key operations personnel could be put in place. As the Company's operations expand, additional general management resources will be required.

If the Company expands its operations, the ability of the Company to recruit, train, integrate and manage a large number of new employees/consultants is uncertain and failure to do so would have a negative impact on the Company's business plans.

APPENDIX D

INFORMATION CONCERNING THE RESULTING ISSUER

The following section of this Circular contains forward-looking information. Readers are cautioned that actual results may vary. See “*Cautionary Notice Regarding Forward-Looking Statements*”.

All capitalized terms used in this Appendix and not defined herein have the meaning ascribed to such terms in the Glossary of Terms or elsewhere in this Circular

OVERVIEW AND DESCRIPTION OF BUSINESS

Upon completion of the Amalgamation, the Resulting Issuer’s business shall continue to be the businesses of Hempco. See “*Appendix C – Information Concerning Hempco*”.

Business Objectives

The Resulting Issuer expects to accomplish the following business objectives over the 12-month period following completion of the Amalgamation, directly or through its wholly owned subsidiaries:

- (a) Harvest 200-400 acres of Hemp biomass in September and October 2021.
- (b) Enter into partnerships and/or joint ventures to process and sell Hemp biomass (ongoing over the ensuing 12 months).
- (c) Obtain an Industrial Hemp Licence from Health Canada (March or April 2021).
- (d) Continue to develop and refine processing equipment and harvesting procedures (ongoing over the ensuing 12 months).
- (e) Outline and implement plans for vertical integration (ongoing over the ensuing 12 months).

As Hempco is in a phase of growth, it may add or amend to the foregoing objectives, which may require additional financing.

Significant Events Milestones

To achieve the business objectives set out above, the following milestones must be met by the Resulting Issuer, certain of which may or are likely to be completed simultaneously:

Description	Timeframe	Estimated Cost
Plant seeds with 5% CBD	May – June 1, 2021	\$160,000 for a total of 400 acres

Description	Timeframe	Estimated Cost
Refine yield capacity of processing output	Fall 2021	\$240,000 for a total of 400 acres
Sell harvested biomass to licenced party or joint venture for processing into distillate	Winter 2021	\$14,900,000
Enter into agreement or joint venture for sale of final product	Winter 2021/Spring 2022	Nominal cost

Other than as described in this Circular, there are no other significant events or milestones that must occur for the Resulting Issuer's business objectives to be accomplished. However, there is no guarantee that the Resulting Issuer will meet its business objectives or milestones described above within the specific time periods, within the estimated costs or at all. The Resulting Issuer may, for sound business reasons, reallocate its time or capital resources, or both, differently than as described above.

Total Funds Available

As of October 31, 2020, Veritas had a working capital deficit of \$1,100,839 and as at November 30, 2020, Hempco had a working capital deficit of \$743,842. The following table represents the available funds of the Resulting Issuer and the principal purpose of those funds over a 12-month period:

SOURCES AND USES OF FUNDS	FUNDS AVAILABLE
Veritas working capital (deficit) as at October 31, 2020	(\$1,100,839)
Estimated Hempco working capital (deficit) as at November 30, 2020	(\$743,842)
Net revenue ⁽¹⁾	\$28,000,000
Available funds of the Resulting Issuer	\$26,155,319
Principal purpose	
Expenses related to the completion of the Amalgamation	\$110,000
Planting, harvesting, processing and cost of goods	\$15,300,000
General and administrative costs estimated for operating 12 months ⁽²⁾	\$444,000
Total Expenses	\$15,854,000

⁽¹⁾ This amount is estimated net revenue from the sale of 100,000 kgs of CBD extract at a concentration of 6.5% and a sales price of \$4,500 kg.

⁽²⁾ General and administrative costs includes: consulting, wages, taxes and benefits (\$294,000); insurance (\$12,000); audit (\$54,000); legal (\$42,000); and miscellaneous (\$42,000).

There may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The actual amount that the Resulting Issuer spends in connection with each of the

intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including those referred to under “Risk Factors” below. However, it is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer’s objectives over the next 12 months.

Ability to Access Public and Private Capital

Veritas and Hempco have both historically, and management believes the Resulting Issuer will, in the future have, adequate access to equity from prospectus exempt (private placement) markets in Canada. The Resulting Issuer plans to (i) continue to access equity financing through private markets, and (ii) access equity financing through public markets in Canada, if listed on the CSE or another stock exchange. Further, the Resulting Issuer’s executive team and board also have extensive relationships with sources of private capital (such as high net worth individuals). Current proceeds from the Resulting Issuer’s financings will be used to finance the continued growth of the Resulting Issuer’s business. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other organizations. These transactions may be financed wholly or partially with debt, which may increase the Resulting Issuer’s debt levels above industry standards, or through the issuance of shares which will be dilutive to the current shareholders.

Although there has been an increase in the amount of private financing available over the last several years, there is neither a broad nor deep pool of institutional capital that is available to cannabis licence holders and licence applicants. There can be no assurance that additional financing, if raised privately, will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer’s inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability. See section entitled “*Risk Factors*” below.

Employees

Upon completion of the Amalgamation, the Resulting Issuer is expected to have one full-time and no part-time employees. The Resulting Issuer is expected to have approximately five consultants providing services on an independent contractor basis.

The Resulting Issuer’s business will require specialized skills and knowledge of the cannabis industry. Management of the Resulting Issuer will be composed of certain individuals who have extensive expertise in this industry and are complemented by the board of directors of the Resulting Issuer. The Resulting Issuer’s future success will depend, in part, on its ability to continue to attract, retain and motivate highly qualified technical and management personnel, for whom competition is intense.

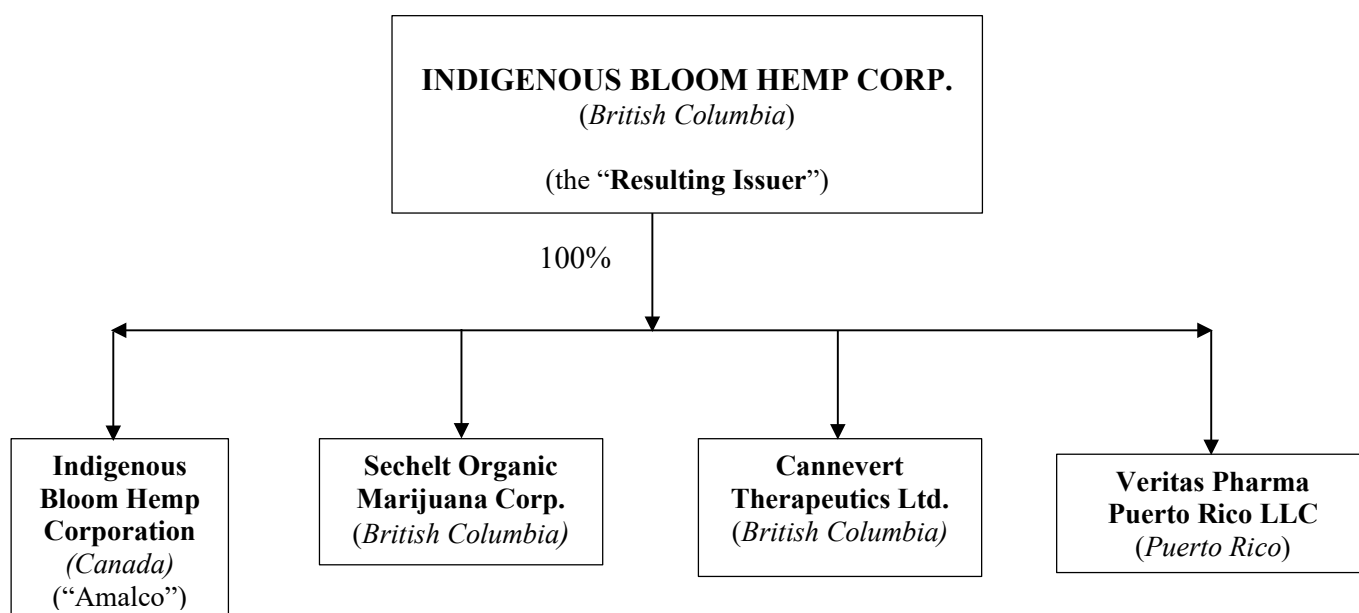
Competitive Conditions and Position

The cannabis production industry is competitive in all of its phases. The Resulting Issuer will face competition from other companies who are already operating in the industry. Many of these companies may have greater financial resources, operational experience and technical capabilities than the Resulting Issuer. The Resulting Issuer may be unable to maintain its operations or develop them as currently proposed as contemplated or at all. Consequently, the future revenues, future operations and financial condition of the Resulting Issuer could be materially adversely affected.

The Resulting Issuer may also face additional competition from new entrants into the cannabis industry. If the number of users of cannabis in Canada or internationally increases, the demand for products will increase and the Resulting Issuer expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Resulting Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to do this on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer. See also section entitled “*Risk Factors*” – “*Competition*”.

ORGANIZATIONAL CHART

The chart below illustrates the corporate structure of the Resulting Issuer immediately following the completion of the Amalgamation.



PRO FORMA CONSOLIDATED CAPITALIZATION

The following table summarizes the Resulting Issuer’s pro forma capitalization, on a consolidated basis, after giving effect to the Amalgamation. Refer to the pro forma financial statements of the Resulting Issuer, a copy of which is attached as Schedule “A” to this Appendix D.

Designation of Security	Amount Authorized	Anticipated Consolidated Veritas Common Shares Outstanding (as of the effective date of the Amalgamation)
Common Shares	Unlimited	101,680,655 ⁽¹⁾

⁽¹⁾ Assumes the issuance of 93,333,333 Consolidated Veritas Common Shares pursuant to the Amalgamation. The actual number of Consolidated Veritas Common Shares to be issued pursuant to the Amalgamation will be determined by dividing the purchase price of \$28,000,000 by the closing price of the Veritas Common Shares on the CSE on the last trading day prior to the Effective Date.

FULLY DILUTED SHARE CAPITAL

	Anticipated Consolidated Veritas Common Shares Outstanding (as of the effective date of the Amalgamation)
Consolidated Veritas Common Shares issued and outstanding	8,347,322
Consolidated Veritas Common Shares issued to Hempco Shareholders pursuant to the Amalgamation	93,333,333
Total Consolidated Veritas Common Shares	101,680,655
Reserved for issuance pursuant to warrants of Veritas	150,000
Reserved for issuance pursuant to options of Veritas	556,558
Total Consolidated Veritas Common Shares Reserved for Issuance	706,558
Total Number of Fully Diluted Consolidated Veritas Common Shares ⁽¹⁾	102,387,213

⁽¹⁾ Assumes the issuance of 93,333,333 Consolidated Veritas Common Shares pursuant to the Amalgamation. The actual number of Consolidated Veritas Common Shares to be issued pursuant to the Amalgamation will be determined by dividing the purchase price of \$28,000,000 by the closing price of the Veritas Common Shares on the CSE on the last trading day prior to the Effective Date.

DESCRIPTION OF SHARE CAPITAL

The authorized share capital of the Resulting Issuer following the completion of the Amalgamation will be an unlimited number of common shares without par value. Assuming the issuance of 93,333,333 Consolidated Veritas Common Shares pursuant to the Amalgamation, there will be an aggregate of 101,680,655 Consolidated Veritas Common Shares issued and outstanding on completion of the Amalgamation. The actual number of Consolidated Veritas Common Shares to be issued pursuant to the Amalgamation will be determined by dividing the purchase price of \$28,000,000 by the closing price of the Veritas Common Shares on the CSE on the last trading day prior to the Effective Date.

STOCK EXCHANGE LISTING

Veritas Common Shares are currently listed on the CSE under the symbol “VRT” and commenced trading on the CSE on August 12, 2014. Trading was halted on September 8, 2020 pending the acceptance and filing of certain documents required pursuant to the policies of the CSE. Veritas will apply to the CSE to list the Consolidated Veritas Common Shares issuable to Hempco Shareholders under the Amalgamation. The Amalgamation constitutes a fundamental change under CSE Policy 8 and, accordingly, Veritas must meet the criteria for a new listing under CSE policies.

ESCROWED SECURITIES

As required under the policies of the CSE, principals of the Resulting Issuer will enter into an escrow agreement as if Hempco was subject to the requirements of National Policy 46-201 - Escrow for Initial Public Offerings (“NP 46-201”). Escrow releases will be scheduled at

periods specified in NP 46-201 for emerging issuers, that is, 10% will be released upon completion of the Amalgamation followed by six subsequent releases of 15% every six months thereafter.

The table below includes the details of the Consolidated Veritas Common Shares that will be held in escrow upon the completion of the Amalgamation:

Name of Securityholder	Designation of Class Held in Escrow	Number of Securities Held in Escrow	Percentage of Class⁽¹⁾
Michael Matvieshen	Common	17,567,805	17.28%
Blair Lowther	Common	1,891,241	1.86%
Peter McFadden	Common	1,782,484	1.75%
Lorne Mark Roseborough	Common	11,266,331	11.08%
Sharon Blady	Common	1,056,603	1.04%

⁽¹⁾ Assumes the issuance of 93,333,333 Consolidated Veritas Common Shares pursuant to the Amalgamation. The actual number of Consolidated Veritas Common Shares to be issued pursuant to the Amalgamation will be determined by dividing the purchase price of \$28,000,000 by the closing price of the Veritas Common Shares on the CSE on the last trading day prior to the Effective Date.

PRINCIPAL SHAREHOLDERS

Following completion of the Amalgamation, the only persons who will own, directly or indirectly, or exercise control or direction over, more than 10% of the issued Consolidated Veritas Common Shares are as follows:

Name and Municipality of Residence	Number of Consolidated Veritas Common Shares Held	Percentage of Issued Consolidated Veritas Common Shares
Michael Matvieshen Kelowna, BC	17,567,805 ^{(1) (2)}	17.28%
Lorne Mark Roseborough Kelowna, BC	11,266,331 ⁽²⁾	11.08%

⁽¹⁾ Mr. Matvieshen will have beneficial ownership and control or direction over 9,802,902 Consolidated Veritas Common Shares held indirectly through Aboriginal Power Inc. (8,138,993 shares) and 1253186 B.C. Ltd. (1,663,909 shares). Mr. Matvieshen will have control or direction over, but not beneficial ownership of, 7,764,903 Consolidated Veritas Common Shares held by relatives (Carlee Matvieshen – 5,546,361 shares, Daniel Matvieshen – 1,109,271 shares and Shari Matvieshen - 1,109,271 shares).

⁽²⁾ Assumes the issuance of 93,333,333 Consolidated Veritas Common Shares pursuant to the Amalgamation. The actual number of Consolidated Veritas Common Shares to be issued pursuant to the Amalgamation will be determined by dividing the purchase price of \$28,000,000 by the closing price of the Veritas Common Shares on the CSE on the last trading day prior to the Effective Date.

GOVERNANCE AND MANAGEMENT OF THE RESULTING ISSUER

Board of Directors

Following the completion of the Amalgamation, the board of directors of the Resulting Issuer will initially be comprised of the following five (5) persons: Lorne Mark Roseborough, Blair Lowther, Sharon Blady, Howard Ash and Greg Van Wyk. Peter McFadden will be the Interim CEO and CFO and Lorne Mark Roseborough will be the Chairman of the Board.

The directors of the Resulting Issuer will hold office until the next annual general meeting of Shareholders of the Resulting issuer or until their respective successors have been duly elected or appointed, unless his or her office is earlier vacated in accordance with the articles of the Resulting Issuer or within the provision of the BCBCA.

Information regarding the individuals who will serve as directors and officers of the Resulting Issuer, including their province and country of ordinary residence and the number of Consolidated Veritas Common Shares that will be beneficially owned by each director, directly or indirectly, or over which each director will exercise control or direction, following the completion of the Amalgamation is as follows:

Name, Province and Country of Ordinary Residence and Position with Resulting Issuer	Consolidated Veritas Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed upon completion of the Amalgamation⁽¹⁾⁽⁴⁾
Lorne Mark Roseborough Chairman of the Board, CEO and Director	11,266,331
Peter McFadden CFO	1,782,484
Blair Lowther ⁽¹⁾ Director	1,891,241
Sharon Blady ⁽¹⁾⁽²⁾ Director	1,056,603
Howard Ash ⁽¹⁾⁽²⁾ Director	Nil
Greg Van Wyk ⁽²⁾ Director	Nil

⁽¹⁾ Member of the audit committee.

⁽²⁾ Independent director.

⁽³⁾ Assumes the issuance of 93,333,333 Consolidated Veritas Common Shares pursuant to the Amalgamation. The actual number of Consolidated Veritas Common Shares to be issued pursuant to the Amalgamation will be determined by dividing the purchase price of \$28,000,000 by the closing price of the Veritas Common Shares on the CSE on the last trading day prior to the Effective Date.

Board of Directors Committees

The Audit Committee will initially be the only committee of the Resulting Issuer and the members will be Blair Lowther, Sharon Blady and Howard Ash. Sharon Blady and Howard Ash will be considered independent and all of the members will be considered to be financially literate. The Resulting Issuer will continue to have the Audit Committee Charter of veritas, a copy of which is attached as Appendix A to this Circular.

The Resulting Issuer will be a venture issuer and will be relying upon the exemption provided by section 6.1 of NI 52-110 which exempts venture issuers (as defined therein) from the requirement of Part 3, (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of that instrument.

Management

The following sets out details of the proposed directors and management of the Resulting Issuer:

Lorne Mark Roseborough – Chairman of the Board, CEO and Director, Age 68.

Mr. Roseborough is currently the Chairman of Veritas. Mr. Roseborough acted as the Lead Executive for Start-up of Dow Corning's \$1.2 billion semiconductor plant in Clarksville, Tennessee. Prior to Dow, between 2007 and 2010, Mr. Roseborough was a director of EPOD Solar Inc. He also held numerous management positions over his tenure at EPOD ultimately acting as the President of EPOD in 2008. Additionally, from 1992 to 2003, at Belcorp Industries Inc. he acted as the Vice President of Manufacturing, having direct responsibility for the operations of three pulp and paper mills and the Mohawk Lubricants oil refinery. These operations had collectively over 350 employees and produced over \$300 million in annual revenues. Between 1999 and 2003, Mr. Roseborough also held the position of President and CEO of Bluewater Fiber in Port Huron, Michigan (on behalf of owners Merrill Lynch and Cerberus Capital Partners), which was a large scale recycle pulp mill. Mr. Roseborough has completed the NAIT Power Engineering program and holds a current Commercial Pilot's license.

Mr. Roseborough expects to devote 25% - 30% of his time to the business of the Resulting Issuer.

Peter McFadden – CFO, Age 64.

Mr. McFadden is an experienced accounting and finance professional and holds numerous professional designations. He is currently Senior Partner at McFadden, Buttar & Associates CPAs Inc. He was formerly a senior manager at KPMG specializing in mergers and acquisitions and tax in Toronto. He has also taught Business and Accounting courses at the Okanagan University College.

Mr. McFadden holds a bachelor of Science from McMaster University, a bachelor of Commerce with honors from University of Windsor, and became a Chartered Accountant (CA) in 1983. Additionally, he obtained his Masters in Business Administration (MBA) in International Finance and Accounting in 1981.

Mr. McFadden expects to devote 50% of his time to the business of the Resulting Issuer.

Blair Lowther – Director, Age 43.

Mr. Lowther brings a wealth of legal experience as a commercial lawyer formerly with Miller Thomson LLP in Vancouver. Currently, he is the EVP, Corporate Development & Legal for BlocPal International Inc., a cryptocurrency payment processor. Formerly, he was a securities and corporate lawyer at Miller Thomson LLP (2009-2018), where he advised companies listed on the New York Stock Exchange, the Toronto Stock Exchange, the TSX Venture Exchange and the CSE. Mr. Lowther is also an expert in structuring financial and legal strategies for early-stage businesses seeking to expand their operations and maximize shareholder value. His legal experience has been focused on advising companies in emerging industries, such as cannabis and blockchain. Mr. Lowther is also a director of Sport BC and Canada SCORES. Mr. Lowther is a Guest Lecturer & Contributing Author for the Sauder School of Business at The University of British Columbia. Mr. Lowther has a BA (English/Economics, 2004) from the University of

British Columbia, a JD from the University of British Columbia (2009) and is a member of the Law Society of British Columbia (2010).

Mr. Lowther expects to devote 5% of his time to the business of the Resulting Issuer.

Sharon Blady – Director, Age 53.

Ms. Blady is the former Manitoba Health Minister (2014-2016), the founder of Speak Up: Mental Health Advocates and Sharon Blady & Associates (2017), sharing her insight as a keynote speaker and consultant. As Health Minister, Ms. Blady oversaw a \$6B budget, worked with stakeholders, departments, and front-line healthcare providers demonstrating interpersonal and systems analysis competencies, and agility in addressing issues management and strategic planning. Ms. Blady advanced progressive policy changes in a variety of healthcare sectors, including mental health and the expanded use of cannabis in preparation for legalization. In her previous role as Minister of Healthy Living (2013-2014), Ms. Blady focused on community collaboration in expanding preventative programs, establishing AFFIRM food security in Northern Manitoba, and supporting grassroots mental health organizations. Before being promoted into Cabinet, Ms. Blady crafted two pieces of first-in-Canada human rights legislation (2009 and 2011). Ms. Blady began her career as an academic, with interdisciplinary competencies driving her graduate research for her MA (1995) and PhD (2001). In addition to her role on the Veritas Pharma Board of Directors, Ms. Blady serves on a variety of volunteer boards in the health sector.

Ms. Blady expects to devote 5% of her time to the business of the Resulting Issuer.

Howard Ash – Director, Age 65.

Mr. Howard Ash is an accomplished executive who served as a C-level executive for a variety of high profile, international companies including; Israel Export Development Corporation (1992-1999), CITA Americas (1994-1996), BioCard Corp. (1996-2004), IEDC Marketing and Abrams, and Ash & Associates (1990-1992). Additionally, in 1987, Mr. Ash founded an interest-free microloan society that has provided more than \$15 million in microloans throughout the United States and Israel. Mr. Ash currently serves as the Chairman of Claridge Management (2010-present), a private finance company, as well as he sits as a director on a number of boards both domestically and Internationally. Mr. Ash is also the only non-UK citizen serving on the Advisory Board of the E2Exchange (2012), the Institute of Entrepreneurs. Mr. Ash is an active member of multiple non-profit charitable organizations including One Laptop Per Child (2014) and Circle of Life Resource Center, Inc. (2016), a food bank in Miami, Florida that feeds hundreds of families per week. Mr. Ash earned a Bachelor of Commerce degree, with Honors in Accounting and Law from the University of Witwatersrand (South Africa) (1983) and a Bachelor of Accounting Honors degree from the University of Witwatersrand (South Africa) (1984).

Mr. Ash expects to devote 5% of his time to the business of the Resulting Issuer.

Greg Van Wyk – Director, Age 57.

Dr. Gregory Van Wyk is a physician with over 29 years of experience in general practice including clinical settings in emergency work, community clinics and rural hospitals both in Canada and South Africa. Dr. Van Wyk's has substantial experience in infectious disease control and management, preventative medicine, treatment of comorbidities, providing physician services to

marginalized populations, and extensive experience in addiction treatment specifically with opioids and drug harm reduction. Over the past 21 years, Dr. Van Wyk has been providing Medical and Psychiatric care to inmates including Emergency Care, and, he has spent more than a decade delivering physician services to various First Nation Communities.

Dr. Van Wyk holds various medical licenses including advanced trauma Life Support (2007) and Advanced Cardiac Life Support (2012) and is currently a CSC-Physician liaison for the Prairies.

Dr. Van Wyk expects to devote 5% of his time to the business of the Resulting Issuer.

RISK FACTORS

The business of Hempco, which will be the business of the Resulting Issuer upon completion of the Amalgamation, is subject to certain risks and uncertainties inherent in the cannabis industry.

Prior to making any investment decision regarding the Resulting Issuer, investors should carefully consider, among other things, the risk factors set forth below. While this Circular has described the risks and uncertainties that management of Veritas and Hempco believe to be material to the Resulting Issuer's business, it is possible that other risks and uncertainties affecting the Resulting Issuer's business will arise or become material in the future.

If the Resulting Issuer is unable to address these and other potential risks and uncertainties following the completion of the Amalgamation, its business, financial condition or results of operations could be materially and adversely affected. In this event, the value of the Consolidated Veritas Common Shares could decline and an investor could lose all or part of their investment.

The following is a description of the principal risk factors that will affect the Resulting Issuer:

Limited Operating History

The Resulting Issuer's lack of extensive operating history makes it difficult for investors to evaluate the Resulting Issuer's prospects for success. Prospective investors should consider the risks and difficulties the Resulting Issuer might encounter, especially given the Resulting Issuer's lack of an extensive operating history. There is no assurance that the Resulting Issuer will be successful and the likelihood of success must be considered in light of its relatively early stage of operations.

Reliance on Management

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements or management agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer's business, operating results, financial condition or prospects.

Additional Financing

The Resulting Issuer will likely require equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer's inability to raise financing to fund on-going operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon the Resulting Issuer's business, results of operations, financial condition or prospects.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Consolidated Veritas Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Profitability of the Resulting Issuer

The Resulting Issuer may experience difficulties in its development process, such as capacity constraints, quality control problems or other disruptions, which would make it more difficult to generate profits. A failure by the Resulting Issuer to achieve a low-cost structure through economies of scale or improvements in manufacturing processes and design could have a material adverse effect on the Resulting Issuer's business, prospects, results of operations and financial condition.

Ongoing Costs and Obligations

The Resulting Issuer expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Resulting Issuer's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Reliance on Licences and Authorizations

The operations of the Resulting Issuer require it to obtain licences and/or permits for the production, packaging, storing, distribution, sale (whether wholesale or retail), export and/or import of hemp and/or hemp products in Canada and other jurisdictions. The Resulting Issuer is in the process of applying or otherwise acquiring indirectly or directly those licences and/or permits it believes it requires to carry in order to operate and intends to apply for, as the need arises, all necessary licences and permits to carry on the activities it expects to conduct in the future. However, the ability of the Resulting Issuer to obtain, sustain or renew any such licences and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies. There can be no guarantee such licences or permits will issue to the Resulting Issuer or be maintained in force. Any loss of

interest in any such required licence or permit, or the failure of any governmental authority to issue or renew such licences or permits upon acceptable terms, would have a material adverse impact upon the Resulting Issuer.

The licences and authorizations are subject to ongoing compliance and reporting requirements and the ability of the Resulting Issuer to obtain, sustain or renew any such licences and authorizations on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies. Failure to comply with the requirements of the licences or authorizations or any failure to maintain the licences or authorizations would have a material adverse impact on the business, financial condition and operating results of the Resulting Issuer.

Although the Resulting Issuer believes that it will meet the requirements to obtain, sustain or renew the necessary licences and authorizations, there can be no guarantee that the applicable authorities will issue these licences or authorizations. Should the authorities fail to issue the necessary licences or authorizations, the Resulting Issuer may be curtailed or prohibited from proceeding with the development of its operations as currently proposed and the business, financial condition and results of the operation of the Resulting Issuer may be materially adversely affected.

Uncertain Demand for Cannabis and Derivative Products

The legal cannabis industry in Canada is at an early stage of its development. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis are mixed and evolving and can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity, could have a material adverse effect on the demand for cannabis and on the business, results of operations, financial condition and cash flows of the Resulting Issuer. Further, adverse publicity reports or other media attention regarding cannabis in general, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Public opinion and support for cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. The Resulting Issuer's ability to gain and increase market acceptance of its business may require substantial expenditures on investor relations, strategic relationships and marketing initiatives. There can be no assurance that such initiatives will be successful and their failure to materialize into significant demand may have an adverse effect on the Resulting Issuer's financial condition.

Retention and Acquisition of Skilled Personnel

The loss of any member of the Resulting Issuer's management team, could have a material adverse effect on its business and results of operations. In addition, the inability to hire or the increased costs of hiring new personnel, including members of executive management, could have a material adverse effect on the Resulting Issuer's business and operating results. The growth of the Resulting Issuer's business will require it to find, hire and retain capable employees and

contractors who can carry out the operations of the Resulting Issuer. There may be competition for capable personnel and the Resulting Issuer may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and in many cases, take a significant amount of time before they achieve full productivity. As a result, the Resulting Issuer may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses issued in connection to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, as the Resulting Issuer moves into new jurisdictions, it will need to attract and recruit skilled employees in those new areas.

Risks Inherent in an Agricultural Business

The Resulting Issuer's business will involve the growing of hemp, which is an agricultural product. The occurrence of severe adverse weather conditions, especially droughts or floods is unpredictable, may have a potentially devastating impact on agricultural production, and may otherwise adversely affect the supply of hemp. Adverse weather conditions may be exacerbated by the effects of climate change and may result in the introduction and increased frequency of pests and diseases. The effects of severe adverse weather conditions may reduce the Resulting Issuer's yields or require the Resulting Issuer to increase its level of investment to maintain yields. Additionally, higher than average temperatures and rainfall can contribute to an increased presence of insects and pests, which could negatively affect hemp crops. Future droughts could reduce the yield and quality of the Resulting Issuer's hemp production, which could materially and adversely affect the Resulting Issuer's business, financial condition and results of operations.

The occurrence and effects of plant disease, insects and pests can be unpredictable and devastating to agricultural operations, potentially rendering all or a substantial portion of the affected harvests unsuitable for sale. Even when only a portion of the production is damaged, the Resulting Issuer's results of operations could be adversely affected because all or a substantial portion of the production costs may have been incurred. Although some plant diseases are treatable, the cost of treatment can be high and such events could adversely affect the Resulting Issuer's operating results and financial condition. Furthermore, if the Resulting Issuer fails to control a given plant disease and the production is threatened, the Resulting Issuer may be unable to adequately supply its customers, which could adversely affect its business, financial condition and results of operations. There can be no assurance that natural elements will not have a material adverse effect on production.

Realization of Growth Targets

The Resulting Issuer is currently in the early development stage. The Resulting Issuer's growth strategy contemplates, among other things, seeking to acquire its licence for the cultivation and sale of industrial hemp from Health Canada.

Raw Materials and Supply

Certain consumer products produced or distributed by the Resulting Issuer may require quality assurance testing for each lot of final product with such testing conducted by an independent, state certified, third-party testing laboratory with a statistically significant number of samples using

acceptable methodologies to ensure that all lots manufactured of each product are adequately assessed for contaminants and the cannabinoid profile is correctly labeled for consumers.

If the Resulting Issuer's licenced processors or other third-party service providers fail to have positive testing results, the Resulting Issuer could experience a negative adverse effect on its operations and ability to produce and sell its products.

Competition

It is likely that the Resulting Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than the Resulting Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, results of operations or prospects of the Resulting Issuer.

Because of the early stage of the industry in which the Resulting Issuer will operate, the Resulting Issuer expects to face additional competition from new entrants. To become and remain competitive, the Resulting Issuer will require research and development, marketing, sales and support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and support efforts on a competitive basis which could materially and adversely affect the business, financial condition, results of operations or prospects of the Resulting Issuer.

If the market for industrial hemp and products derived therefrom in Canada or any other jurisdiction in which the Resulting Issuer will operate increases, the demand for products will increase and the Resulting Issuer expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Resulting Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

New Industry and Market

The market for industrial hemp and products derived therefrom is relatively new in the jurisdictions in which the Resulting Issuer will operate and this industry and market may not continue to exist or grow as anticipated or the Resulting Issuer may ultimately be unable to succeed in this new industry and market. Licenced producers (assuming the Resulting Issuer obtains the required licences) are subject to general business risks, as well as risks associated with a business involving an agricultural product and a regulated consumer product. The Resulting Issuer will need to make potentially significant investments in order to both acquire and maintain requisite licences as well as begin to operate. There are no assurances that this industry and market will continue to exist or grow as currently estimated or anticipated, or function and evolve in a manner consistent with management's expectations and assumptions. Any event or circumstance that affects the industrial hemp industry and market or the cannabis industry and market could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Legal and Regulatory Proceedings

From time to time, the Resulting Issuer may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. The Resulting Issuer will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Resulting Issuer's financial results.

The Resulting Issuer's participation in the industrial hemp industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by third parties, other companies and/or various governmental authorities against the Resulting Issuer. Litigation, complaints, and enforcement actions involving the Resulting Issuer could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Resulting Issuer's future cash flows, earnings, results of operations and financial condition.

Ability to Establish and Maintain Bank Accounts

There is a risk that banking institutions in where the Resulting Issuer operates will not open accounts for the Resulting Issuer or will not accept payments or deposits from proceeds related to the industrial hemp industry. Such risks could increase costs for the Resulting Issuer or prevent the Resulting Issuer from expanding into certain jurisdictions.

Product Liability

Upon becoming a producer or distributor of products designed to facilitate ingestion by humans, the Resulting Issuer would face an inherent risk of exposure to product liability claims, regulatory action and litigation if its customers' products are alleged to have caused significant loss or injury. In addition, tampering by unauthorized third parties or product contamination with respect to the Resulting Issuer's products may impact the risk of injury to consumers. Previously unknown adverse reactions resulting from human consumption of hemp products alone or in combination with other medications or substances could occur. As a supplier to manufacturers and distributors of products designed for human consumption or in its role as an investor in or service provider to an entity that is a manufacturer, distributor and/or retailer, the Resulting Issuer may be subject to various product liability claims, including, among others, that the product caused injury or illness, included inadequate instructions for use or included inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Resulting Issuer could result in increased costs, could adversely affect the Resulting Issuer's reputation with its clients and consumers generally, and could have a material adverse effect on the business, results of operations, financial condition or prospects of the Resulting Issuer. There can be no assurances that the Resulting Issuer will be able to maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to maintain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Resulting

Issuer's potential products or otherwise have a material adverse effect on the business, results of operations, financial condition or prospects of the Resulting Issuer.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. Such recalls cause unexpected expenses of the recall and any legal proceedings that might arise in connection with the recall. This can cause loss of a significant amount of sales. In addition, a product recall may require significant management attention. Although the Resulting Issuer will have detailed procedures in place for testing its products or require that third parties do the same where applicable, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Resulting Issuer's brands were subject to recall, the image of that brand and the Resulting Issuer could be harmed. Additionally, product recalls can lead to increased scrutiny of operations by applicable regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Product Approvals

The Resulting Issuer may require advance approval of its products from authorities in the applicable jurisdiction. While the Resulting Issuer intends to follow the guidelines and regulations of each applicable local jurisdiction in preparing products for sale and distribution, there is no guarantee that such products will be approved to the extent necessary. If the products are approved, there is a risk that any jurisdiction may revoke its approval for such products based on changes in laws or regulations or based on its discretion or otherwise. If any of the Resulting Issuer's products are not approved or any existing approvals are rescinded, there is the potential to lead to a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Product Exchanges, Returns and Warranty Claims

If the Resulting Issuer is unable to maintain or cause the maintenance of an acceptable degree of quality control of products it produced or distributes, the Resulting Issuer may incur costs associated with the exchange and return of the products as well as servicing its customers for warranty claims. Any of the foregoing on a significant scale may have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition.

Success of Quality Control Systems

The quality and safety of future potential products will be critical to the success of the Resulting Issuer's business and operations. As such, it is imperative that the Resulting Issuer's (and its future service providers, future partners, etc.) quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although the Resulting Issuer will strive to ensure that all third parties with whom it would engage will have implemented and adhere to high caliber quality control systems, any

significant failure or deterioration of such quality control systems could have a material adverse effect on the Resulting Issuer's business and operating results.

New Products

The industrial hemp industry is in its early stages and it is likely that the Resulting Issuer and its competitors will seek to introduce new products in the future. In attempting to keep pace with any new market developments, the Resulting Issuer will likely need to expend significant amounts of capital in order to successfully develop and generate revenues from new products. The Resulting Issuer may also be required to obtain regulatory approvals from applicable authorities based on the jurisdiction(s) in which it plans to distribute its products, which may take significant time. The Resulting Issuer may not be successful in developing effective and safe new products, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which together with capital expenditures made in the course of such product development and regulatory approval processes, may have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Difficulty in Developing Products

If the Resulting Issuer cannot successfully develop, manufacture and distribute its products, or if the Resulting Issuer experiences difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, the Resulting Issuer may not be able to develop market-ready commercial products at acceptable costs, which would adversely affect the Resulting Issuer's ability to effectively enter the market. A failure by the Resulting Issuer to achieve a low-cost structure through economies of scale would have a material adverse effect on the Resulting Issuer's commercialization plans and the Resulting Issuer's business, prospects, results of operations and financial condition.

Success of New and Existing Products and Services

The Resulting Issuer has committed, and expects to continue to commit, significant resources and capital to develop and market new products and services. These products and services are relatively untested, and the Resulting Issuer cannot guarantee that it will achieve market acceptance for any new products and services that the Resulting Issuer may offer in the future. In addition, new products, services and enhancements may pose a variety of technical challenges and require the Resulting Issuer to attract additional qualified employees. The failure to successfully develop and market these new products, services or enhancements or to hire qualified employees could seriously harm the Resulting Issuer's business, financial condition and results of operations.

Continued Market Acceptance by Consumers

The Resulting Issuer will be substantially dependent on continued market acceptance by consumers of its products or those products it distributes. Although the Resulting Issuer believes that the use of products similar to the products to be designed and manufactured by the Resulting Issuer is gaining international acceptance, the Resulting Issuer cannot predict the future growth rate and size of this market.

Promoting and Maintaining Brands

The Resulting Issuer believes that establishing and maintaining the brand identities of products is a critical aspect of attracting and expanding a large customer base. Promotion and enhancement of brands will depend largely on success in providing high quality products. If customers and end users do not perceive the Resulting Issuer's products to be of high quality, or if the Resulting Issuer introduces new products or enters into new business ventures that are not favorably received by customers and end users, the Resulting Issuer will risk diluting brand identities and decreasing their attractiveness to existing and potential customers. Moreover, in order to attract and retain customers and to promote and maintain brand equity in response to competitive pressures, the Resulting Issuer may have to increase its financial commitment to creating and maintaining a distinct brand loyalty among customers. If the Resulting Issuer incurs significant expenses in an attempt to promote and maintain brands, the business, results of operations and financial condition could be adversely affected.

Dependence on Suppliers and Skilled Labour

The ability of the Resulting Issuer to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Resulting Issuer will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Resulting Issuer's capital expenditure plans may be significantly greater than anticipated by the Resulting Issuer's management, and may be greater than funds available to the Resulting Issuer, in which circumstance the Resulting Issuer may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Difficulty to Forecast

The Resulting Issuer will rely largely on its own market research to forecast sales. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, financial condition or prospects of the Resulting Issuer.

Management of Growth

The Resulting Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Internal Controls

Effective internal controls are necessary for the Resulting Issuer to provide reliable financial reports and to help prevent fraud. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer's results of

operations or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Resulting Issuer's consolidated financial statements and materially adversely affect the trading price of the Resulting Issuer Shares.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer are, or may become directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Resulting Issuer and as officers and directors of such other companies.

Intellectual Property Risks

The Resulting Issuer will have certain intellectual property rights. Its business is likely to depend significantly on the protection of any acquired or developed intellectual property rights. The Resulting Issuer cannot offer any assurances about whether any patent or trademark applications which it may file or acquire rights to will be granted. Even if trademark and patent applications are successfully approved, third parties may challenge their validity, enforceability, or scope, which may result in such trademarks or patents being narrowed, found unenforceable or invalidated. Even if they are unchallenged, any trademark or patent applications and future trademarks and patents may not adequately protect the Resulting Issuer's intellectual property, provide exclusivity for its products or processes, or prevent others from designing around any issued patent claims. Any of these outcomes could impair the Resulting Issuer's ability to prevent competition from third parties, which may have an adverse impact on the Resulting Issuer's business.

Unauthorized parties may also attempt to replicate or otherwise obtain and use the Resulting Issuer's intellectual property. Policing the unauthorized use of the Resulting Issuer's existing or future trademarks, patents or other intellectual property rights could be difficult, expensive, time consuming and unpredictable, as may be enforcing these rights. Identifying the unauthorized use of intellectual property rights is difficult as the Resulting Issuer may be unable to effectively monitor and evaluate the products being distributed by its competitors and the processes used to produce such products. In addition, in any infringement proceeding, the Resulting Issuer's existing or future trademarks, patents or other intellectual property rights or other proprietary know-how may be found invalid, unenforceable, anti-competitive or not infringed or may be interpreted narrowly and such proceeding could put existing intellectual property applications at risk of not being issued.

In addition, other parties may claim that the Resulting Issuer's products infringe on their proprietary or patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources and legal fees, result in injunctions or temporary restraining orders or require the payment of damages.

The Resulting Issuer expects that it will rely on certain developed or acquired trade secrets, technical know-how and proprietary information that are not protected by patents to maintain its competitive position. Such trade secrets, technical know-how and proprietary information which are not protected by patents, may become known to or be independently developed by competitors, which could adversely affect the Resulting Issuer.

The Resulting Issuer's success depends upon the skills, knowledge and experience of its scientific and technical personnel, consultants and advisors, as well as contractors. Because the Resulting Issuer will operate in a highly competitive industry, it intends to rely in part on trade secrets to protect its proprietary products and processes; however, trade secrets are difficult to protect. The Resulting Issuer may enter into confidentiality or non-disclosure agreements with third parties. These agreements generally require that the receiving party keep confidential, and not disclose to third parties, confidential information developed by the receiving party or made known to the receiving party by the Resulting Issuer during the course of the receiving party's relationship with the Resulting Issuer. These agreements also generally provide that inventions conceived by the receiving party in the course of rendering services to the Resulting Issuer will be its exclusive property, and the Resulting Issuer would enter into assignment agreements to perfect its rights. These confidentiality, inventions and assignment agreements, where in place, may be breached and may not effectively assign intellectual property rights to the Resulting Issuer.

Fraudulent or Illegal Activity by Employees, Contractors and Consultants

The Resulting Issuer is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Resulting Issuer that violates: (i) government regulations; (ii) manufacturing standards; or (iii) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for the Resulting Issuer to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Resulting Issuer to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Resulting Issuer from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Resulting Issuer, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Resulting Issuer's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Resulting Issuer's operations, any of which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Information Technology Systems and Cyber-Attacks

The Resulting Issuer's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Resulting Issuer's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Resulting Issuer's reputation and results of operations.

The Resulting Issuer has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Resulting Issuer will

not incur such losses in the future. The Resulting Issuer's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Resulting Issuer may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Operating Risks and Insurance

The Resulting Issuer's operations will be subject to hazards inherent in the industrial hemp industry, such as equipment defects, malfunction and failures, natural disasters which result in fires, accidents and explosions that can cause personal injury, loss of life, suspension of operations, damage to facilities, business interruption and damage to or destruction of property, equipment and the environment, labour disputes, and changes in the regulatory environment. These risks could expose the Resulting Issuer to substantial liability for personal injury, wrongful death, property damage, pollution, and other environmental damages. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees and regulators.

The Resulting Issuer will continuously monitor its operations for quality control and safety. However, there are no assurances that the Resulting Issuer's safety procedures will always prevent such damages. Although the Resulting Issuer will maintain insurance coverage that it believes to be adequate and customary in the industry, there can be no assurance that such insurance will be adequate to cover its liabilities. In addition, there can be no assurance that the Resulting Issuer will be able to maintain adequate insurance in the future at rates it considers reasonable and commercially justifiable. The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits then maintained by the Resulting Issuer, or a claim at a time when it is not able to obtain liability insurance, could have a material adverse effect on the Resulting Issuer, the Resulting Issuer's ability to conduct normal business operations and on the Resulting Issuer's business, financial condition, results of operations and cash flows in the future.

Uninsured or Uninsurable Risk

The Resulting Issuer may be subject to liability for risks against which it cannot insure or against which the Resulting Issuer may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Resulting Issuer's normal business activities. Payment of liabilities for which the Resulting Issuer does not carry insurance may have a material adverse effect on the Resulting Issuer's financial position and operations.

Financial Projections May Prove Materially Inaccurate or Incorrect

The Resulting Issuer's financial estimates, projections and other forward-looking information accompanying this Circular were prepared by Veritas and Hempco without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking information. Such forward-looking information is based on assumptions of future events that may or may not occur, which assumptions may not be disclosed

in such documents. Investors should research Veritas and Hempco and become familiar with the assumptions underlying any estimates, projections or other forward-looking information. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events. There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operating expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, investors should not rely on any projections to indicate the actual results the Resulting Issuer might achieve.

Discretion as to the Use of Available Funds

The Resulting Issuer's management will have broad discretion in how it uses the funds available to it. Management may use the available funds in ways that shareholders may not consider desirable. The results and the effectiveness of the application of the funds are uncertain. If the funds are not applied effectively, the results of the Resulting Issuer's operations may suffer. Management currently intends to allocate the available funds as described under "*Total Funds Available*", however, management may elect to allocate the funds differently from that described under "*Total Funds Available*" if it believes it would be in the Resulting Issuer's best interest to do so. Shareholders may not agree with the manner in which management chooses to allocate and spend the available funds.

Going-Concern Risk

The pro forma financial statements of the Resulting Issuer have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Resulting Issuer's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Resulting Issuer will be successful in completing an equity or debt financing or in achieving profitability. The pro forma financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Resulting Issuer be unable to continue as a going concern.

Client Acquisitions

The Resulting Issuer's success depends on its ability to attract and retain clients. There are many factors which could impact the Resulting Issuer's ability to attract and retain clients, including but not limited to the Resulting Issuer's ability to continually produce desirable and effective products, the successful implementation of the Resulting Issuer's client-acquisition plan and continued growth in the market for industrial hemp and products derived therefrom. The Resulting Issuer's failure to acquire and retain customers would have a material adverse effect on the Resulting Issuer's business, operating results and financial condition.

Credit Risk

The Resulting Issuer will be exposed to credit risk. Credit risk arises from deposits with banks and outstanding receivables. The Resulting Issuer does not hold any collateral as security but

mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Acquisition Risks

The Resulting Issuer is likely to acquire additional assets and/or companies. There are risks inherent in any such acquisition. Although the Resulting Issuer will perform due diligence reviews of any assets or companies it intends to acquire, in whole or in part, there could be unknown or undisclosed risks, problems, hazards, liabilities, claims, or otherwise, for which the Resulting Issuer may not be sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Resulting Issuer's financial performance and results of operations. The Resulting Issuer could encounter additional costs or other factors such as the failure to realize all of the benefits from such acquisitions.

The Resulting Issuer may not be able to successfully integrate and combine the operations, personnel and technology infrastructure of any such acquired entity with its existing operations. If integration is not managed successfully by the Resulting Issuer's management, the Resulting Issuer may experience interruptions in its business activities, deterioration in its employee and customer relationships, increased costs of integration and harm to its reputation, all of which could have a material adverse effect on its business, financial condition and results of operations. The Resulting Issuer may experience difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration of any such acquired companies may also impose substantial demands on management. There is no assurance that any such acquisitions will be successfully integrated in a timely manner.

Investment Risks

The Resulting Issuer is expected to acquire various assets and form relationships with third parties for mutual benefit. There can be no assurance that the Resulting Issuer will acquire favourable investment opportunities or that any such investments will generate revenues or profits. Failure to successfully manage the acquisition of investments could harm the Resulting Issuer's business, strategy and operating results in a material way. The transactions and their success may be exposed to a number of risks, including the risks that the Resulting Issuer may not be able to identify viable opportunities or, if it does identify viable opportunities, effect the transaction and that the investment may fail to perform.

Regulatory Regime

The business and activities of the Resulting Issuer are heavily regulated in all jurisdictions where it will carry on business. The Resulting Issuer's operations will be subject to various laws, regulations and guidelines by governmental authorities. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Resulting Issuer, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Resulting Issuer's products and services. Achievement of the Resulting Issuer's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. Similarly, the Resulting Issuer cannot predict the time required to secure all appropriate regulatory approvals for its products, or the

extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

The Resulting Issuer will incur ongoing costs and obligations related to regulatory compliance in Canada as well as any other jurisdictions in which it may operate. Failure to comply with regulations may lead to possible sanctions including the revocation or imposition of additional conditions on licences to operate the Resulting Issuer's business, the suspension or expulsion from a particular market or jurisdiction or of its key personnel, and the imposition of fines and censures. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Changes in Laws, Regulations and Guidelines

The Resulting Issuer's operations will be subject to various laws, regulations, guidelines and licensing requirements. While the Resulting Issuer is expected to be in compliance with all such laws, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of the Resulting Issuer could have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition.

Constraints on Marketing Products

The development of the Resulting Issuer's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in Canada limits companies' abilities to compete for market share in a manner similar to other industries. If the Resulting Issuer is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Resulting Issuer's sales and results of operations could be adversely affected.

Economic Environment

The Resulting Issuer's operations could be affected by general economic conditions should the unemployment level, interest rates or inflation reach levels that influence consumer trends, and consequently, impact the Resulting Issuer's sales and profitability. As well, general demand for banking services and alternative banking or financial services cannot be predicted and future prospects of such areas might be different from those predicted by the Resulting Issuer's management.

Public Health Crises and Global Financial Conditions

Global or national health concerns, including the outbreak of pandemic or contagious diseases, such as COVID-19, may adversely affect the Company. The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises. The Company expects to experience some short to medium term negative impacts from the COVID-19 outbreak; however, the extent of such impacts is currently

unquantifiable, but may be significant. Such impacts include, with respect to its operations, the ability of the Company to access debt or equity capital on acceptable terms or at all.

Following the onset of the credit crisis in 2008, global financial conditions were characterized by extreme volatility and several major financial institutions either went into bankruptcy or were rescued by governmental authorities. While global financial conditions subsequently stabilized, there remains considerable risk in the system given the extraordinary measures adopted by government authorities to achieve that stability. Global financial conditions could suddenly and rapidly destabilize in response to future economic shocks, as government authorities may have limited resources to respond to future crises.

Future economic shocks may be precipitated by a number of causes, including a rise in the price of oil, geopolitical instability and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Resulting Issuer's ability to obtain equity or debt financing in the future on terms favourable to the Resulting Issuer. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Further, in such an event, the Resulting Issuer's operations and financial condition could be adversely impacted.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the cannabis industry, supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Resulting Issuer's operating environment and its operating costs, profit margins and share price. Any negative events in the global economy could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Access to Capital

The Resulting Issuer will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. Veritas and Hempco have historically financed these expenditures through offerings of their equity securities or by the issuance of their securities as consideration. The Resulting Issuer will have further capital requirements and other expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. The Resulting Issuer may incur major unanticipated liabilities or expenses. The Resulting Issuer can provide no assurance that it will be able to obtain financing to meet the growth needs of its operations.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Resulting Issuer will base its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Resulting Issuer's operating results may be adversely affected if the assumptions change or if actual circumstances

differ from those in the assumptions, which could cause the Resulting Issuer's operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of the Resulting Issuer. Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share based payments, impairment of non-financial assets, fair value of biological assets, as well as revenue and cost recognition.

PROMOTERS

Michael Matvieshen will be the holder of more than 10% of issued and outstanding Consolidated Veritas Common Shares on completion of the Amalgamation and may be considered the promoter of the Resulting Issuer as such term is defined in applicable securities legislation. Refer to "*Appendix D – Information Concerning the Resulting Issuer - Principal Securityholders.*"

AUDITORS OF THE RESULTING ISSUER

The current auditors for both Veritas and Hempco is MNP LLP, Chartered Professional Accountants located at Suite 2200, 1021 West Hastings Street, Vancouver, British Columbia. MNP LLP will continue to be the auditors of the Resulting Issuer following the completion of the Amalgamation.

TRANSFER AGENT AND REGISTRAR

The Resulting Issuer's registrar and transfer agent will be Computershare Investor Services Inc., located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

SCHEDULE A TO APPENDIX D
PRO FORMA FINANCIAL STATEMENTS

[See Attached]

INDIGENOUS BLOOM HEMP CORP.

(formerly Veritas Pharma Inc.)

Pro Forma Consolidated Financial Statements

October 31, 2020

(Expressed in Canadian dollars)

(unaudited)

INDIGENOUS BLOOM HEMP CORP.

(formerly Veritas Pharma Inc.)

Pro Forma Consolidated Statement of Financial Position

As at October 31, 2020

(Expressed in Canadian Dollars)

(unaudited)

	Veritas Pharma Inc. October 31, 2020 \$	Indigenous Bloom Hemp Corporation November 30, 2020 \$	Note 4	Pro Forma Adjustments \$	Pro Forma Consolidated October 31, 2020 \$
Current assets					
Cash	4,458	120,911		—	125,369
Amounts receivable	249	861		—	1,110
Total current assets	4,707	121,772		—	126,479
Property and equipment	—	449,553		—	449,553
Right-of-use assets	—	158,680		—	158,680
Total assets	4,707	730,005		—	734,712
Current liabilities					
Accounts payable and accrued liabilities	549,645	169,611		—	719,256
Current of loan payable	—	11,514		—	11,514
Convertible debt	85,000	—		—	85,000
Current portion lease liabilities	—	41,117		—	41,117
Due to related parties	470,901	643,372		—	1,114,273
Total current liabilities	1,105,546	865,614		—	1,971,160
Loan payable	—	37,574		—	37,574
Lease liabilities	—	124,479		—	124,479
Total liabilities	1,105,546	1,027,667		—	2,133,213
Shareholders' deficit					
Share capital (Note 5)	29,564,397	347,501	(c) (e)	1,252,098 (29,564,397)	1,599,599
Share-based payment reserve	1,443,613	—	(b,c) (e)	156,546 (1,443,613)	156,546
Warrant reserves	684,135	—	(e) (b,c)	(684,135) 103	— 103
Deficit	(32,792,984)	(645,163)	(c) (b,c) (c) (e)	(1,252,098) (156,649) (1,100,839) 32,792,984	(3,154,749)
Total shareholders' deficit	(1,100,839)	(297,662)		—	(1,398,501)
Total liabilities and shareholders' deficit	4,707	730,005			734,712

INDIGENOUS BLOOM HEMP CORP.

(formerly Veritas Pharma Inc.)

Notes to the Pro Forma Consolidated Financial Statements

October 31, 2020

(Expressed in Canadian Dollars)

(unaudited)

1. Basis of Presentation

The unaudited pro forma consolidated statement of financial position of Veritas Pharma Inc. ("Veritas" or the "Company") as at October 31, 2020 has been prepared by management after giving effect to the proposed transaction among the Company, Indigenous Bloom Hemp Corporation ("Hempco"), and the shareholders of Hempco (Note 3). The unaudited pro forma consolidated statement of financial position is the effect of combining the unaudited statement of financial positions of Veritas as at October 31, 2020 and the unaudited statement of financial position of Hempco as at November 30, 2020. Upon completion of the transaction, the Company will change its name from Veritas Pharma Inc. to Indigenous Bloom Hemp Corp.

It is management's opinion that the pro forma consolidated statement of financial position includes all adjustments necessary for the fair presentation, in all material respects, of the transactions described in Notes 3 and 4 in accordance with International Financial Reporting Standards applied on a basis consistent with Hempco's accounting policies. The pro forma consolidated statement of financial position is intended to reflect the financial position of the Company had the proposed transactions been effected on the date indicated, however it is not necessarily indicative of the financial position which would have resulted if the transactions had actually occurred on October 31, 2020.

The unaudited pro forma consolidated statement of financial position should be read in conjunction with the historical financial statements and notes thereto of Hempco and Veritas. Unless otherwise noted, the unaudited pro forma consolidated statement of financial position and accompanying notes are presented in Canadian dollars.

2. Significant Accounting Policies

The unaudited pro forma consolidated statement of financial position has been compiled using the significant accounting policies as set out in the unaudited interim financial statements of Veritas as at October 31, 2020 and for the six month period ended October 31, 2020 and Hempco's as at November 30, 2020 and for the six month period November 30, 2020, respectively. The significant accounting policies of Veritas conform in all material respects to those of Hempco.

3. Proposed Transaction

Veritas, Hempco, and the shareholders of Hempco entered into a business combination agreement whereby Veritas will acquire all of the issued and outstanding shares of Hempco, subject to the terms and conditions of the agreement, in exchange for \$28,000,000 to be provided in common shares of Veritas. Prior to the closing of the business combination, Veritas will consolidate its common shares on a 1-for-2 basis.

As a result of the transaction, the shareholders of Hempco will acquire control of Veritas, thereby constituting a reverse takeover ("RTO") of Veritas and for accounting purposes the acquisition is considered to be outside the scope of IFRS 3, *Business Combinations*. Since the acquisition will constitute an RTO, other than a business combination, Veritas' net assets and its Canadian Stock Exchange listing by Hempco, it will be accounted for in accordance with IFRS 2, *Share-based Payment* whereby Hempco is deemed to have issued shares in exchange for acquiring the net assets of Veritas together with its listing status, at the fair value of the consideration deemed to be given up by Hempco.

The combination between Veritas and Hempco is subject to, amongst other things, regulatory, board and other approvals.

INDIGENOUS BLOOM HEMP CORP.

(formerly Veritas Pharma Inc.)

Notes to the Pro Forma Consolidated Financial Statements

October 31, 2020

(Expressed in Canadian Dollars)

(unaudited)

4. Pro Forma Assumptions and Adjustments

The unaudited pro forma consolidated statement of financial position includes the effects of the following pro forma assumptions and adjustments as if they had occurred at October 31, 2020:

- (a) As a result of the RTO, the consolidated shareholder's equity only reflects the new share structure of Veritas together with actual share capital of Hempco. Prior to closing, Veritas is to consolidate its shares on a 1-for-2 basis. Hempco is deemed to have issued 8,347,322 Hempco shares to acquire Veritas.
- (b) The Resulting Issuer will assume the stock options and share purchase warrants at the transaction date. The stock options have been valued using the Black-Scholes Option Pricing Model using an exercise price of \$0.30, expected life of 4.5 years, volatility of 138%, and risk-free rate of 0.36%. The share purchase warrants have been valued using the Black-Scholes Option Pricing Model using an exercise price of \$14.00, expected life of 0.4 years, volatility of 198%, and risk-free rate of 0.14%.
- (c) Since the share consideration to be allocated to the former shareholders of Veritas on closing the RTO is considered within the scope of IFRS 2, and the Company cannot identify specifically some or all of the goods or service received in return for the allocation of the shares, the value in excess of the net identifiable assets or obligations of Veritas acquired on closing is to be expensed in the consolidated statement of operations and comprehensive income as listing costs.

The purchase price is allocated as follows:

	\$
Fair value of Veritas shares (8,347,322 post-consolidation common shares at \$0.15 per share)	1,252,098
Fair value of 607,869 stock options of Veritas outstanding	156,546
Fair value of 150,000 share purchase warrants of Veritas outstanding	103
Consideration	1,408,747
<u>Less fair value of identifiable assets and liabilities acquired:</u>	
Cash	4,458
Amounts receivable	249
Accounts payable and accrued liabilities	(549,645)
Convertible note payable	(85,000)
Due to related parties	(470,901)
Net liabilities	(1,100,839)
Listing costs	2,509,586

- (d) The difference in value of the shares deemed to have been issued by the accounting acquirer from the fair value of Veritas' net liabilities is expensed as a payment for listing costs.
- (e) Upon closing of the RTO, the share capital, reserves, and deficit of Veritas are eliminated.

INDIGENOUS BLOOM HEMP CORP.

(formerly Veritas Pharma Inc.)

Notes to the Pro Forma Consolidated Financial Statements

October 31, 2020

(Expressed in Canadian Dollars)

(unaudited)

5. Pro Forma Share Capital

After giving effect to the pro forma assumptions and adjustments in Notes 3 and 4, the issued and fully paid share capital of the Company is as follows:

	Common Shares Number	Amount \$
Pre-consolidation balance, Veritas, October 31, 2020	8,347,322	29,564,397
Pre-consolidation balance, Hempco, November 30, 2020	–	347,501
Adjustment of Veritas' share capital	–	(29,564,397)
Issued on RTO with Veritas as listing costs (4(c))	186,666,667	1,252,098
Pro forma balance, October 31, 2020	215,013,989	1,599,599

6. Pro Forma Statutory Income Tax Rate

The pro forma effective statutory income tax rate of the combined companies will be 27%. Veritas was incorporated under the Business Corporations Act of British Columbia and Hempco was incorporated under the Canada Business Corporations Act.