

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus supplement, together with the short form base shelf prospectus dated August 1, 2019 to which it relates, as amended or supplemented, and each document incorporated or deemed to be incorporated by reference in this prospectus supplement and in the short form base shelf prospectus dated August 1, 2019 to which it relates, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The offering of these securities has not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or the applicable securities laws of any state of the United States and, subject to certain exceptions, may not be offered, sold or otherwise disposed of, directly or indirectly, to, or for the account or benefit of, persons in the United States, its territories or possessions, any State of the United States or the District of Columbia (collectively, the “United States”) or “U.S. persons”, as such term is defined under Regulation S under the U.S. Securities Act (“U.S. Persons”), except in transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby to, or for the account or benefit of, persons in the United States or U.S. Persons. See “Plan of Distribution”.

Information has been incorporated by reference in this prospectus supplement, and in the short form base shelf prospectus dated August 1, 2019 to which it relates, from documents filed with securities commissions or similar authorities in each of the provinces of Canada (other than Quebec). Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of National Access Cannabis Corp., Suite 200, 56 Aberfoyle Crescent, Toronto, Ontario M8X 2W4, Telephone: 647-689-6382, and are also available electronically at www.sedar.com.

PROSPECTUS SUPPLEMENT TO THE SHORT FORM BASE SHELF PROSPECTUS DATED AUGUST 1, 2019

New Issue

January 27, 2020



NATIONAL ACCESS CANNABIS CORP.
doing business as
META GROWTH

\$10,000,012
45,454,600 UNITS

This prospectus supplement (the “**Prospectus Supplement**”), together with the accompanying short form base shelf prospectus dated August 1, 2019 (the “**Shelf Prospectus**”), qualifies the distribution (the “**Offering**”) of 45,454,600 units (the “**Units**”) of National Access Cannabis Corp. (the “**Company**”, “**META Growth**”, “**NAC**”, “**us**” or “**we**”) at a price of \$0.22 (the “**Offering Price**”) per Unit. Each Unit will consist of one common share in the capital of the Company (each, a “**Unit Share**”) and one common share purchase warrant (each, a “**Warrant**”). Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one common share in the capital of the Company (each, a “**Warrant Share**”) at an exercise price of \$0.29, until 5:00 p.m. (Toronto time) on the date that is 36 months from the Closing Date (as defined herein). The Company will use the net proceeds of the Offering as described in this Prospectus Supplement. See “*Use of Proceeds*”.

The outstanding common shares of the Company (the “**Common Shares**”) are currently traded on the TSX Venture Exchange (the “**TSXV**”) under the symbol “**META**”. On January 23, 2020, the last trading day before the announcement of the Offering, the closing price of the Common Shares on the TSXV was \$0.27. The Company has applied to list the Unit Shares, the Warrants and the Warrant Shares distributed under this Prospectus Supplement and the accompanying Shelf Prospectus on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV. **There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under the Prospectus Supplement and the accompanying Shelf Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See “Risk Factors”.**

Price: \$0.22 per Unit

	Price to the Public⁽¹⁾	Underwriters' Fee⁽²⁾	Net Proceeds to the Company⁽³⁾
Per Unit	\$0.22	\$0.0154	\$0.2046
Total Offering ⁽⁴⁾⁽⁵⁾	\$10,000,012	\$700,000.84	\$9,300,011.16

Notes:

- (1) The Offering Price was determined by negotiation between the Company and Echelon Wealth Partners Inc., on behalf of the Underwriters (as defined herein), with reference to the then-current market price of the Common Shares. See “*Plan of Distribution*”.
- (2) The Company has agreed to pay the Underwriters a cash commission (the “**Underwriters’ Fee**”) equal to 7% of the gross proceeds from the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option (as defined below)). See “*Plan of Distribution*”.
- (3) After deducting the Underwriters’ Fee but before deducting the expenses of the Offering, estimated to be approximately \$250,000, which, together with the Underwriters’ Fee, will be paid for by us out of the gross proceeds of the Offering. See “*Plan of Distribution*”.
- (4) The Company has granted to the Underwriters an option (the “**Over-Allotment Option**”), exercisable in whole or in part at any time for a period of 30 days from and after the Closing Date (as defined herein), to purchase up to 6,818,190 additional Units (representing 15% of the total number of Units offered hereunder; referred to herein as the “**Additional Units**”) at the Offering Price. Each Additional Unit consists of one Unit Share (each, an “**Additional Unit Share**”) and one Warrant (each, an “**Additional Warrant**”). Each Additional Warrant entitles the holder thereof to purchase one Warrant Share (each, an “**Additional Warrant Share**”) and has the same terms as the Warrants. The Over-Allotment Option may be exercised by the Underwriters to acquire either: (i) Additional Units at the Offering Price; (ii) Additional Warrants at \$0.027 per whole Additional Warrant; (iii) Additional Unit Shares at \$0.193 per Additional Unit Share; or (iv) any combination of Additional Units, Additional Warrants and Additional Unit Shares, at the respective prices set out above, so long as the aggregate number of Additional Unit Shares and Additional Warrants that may be issued under the Over-Allotment Option does not exceed 6,818,190 Additional Unit Shares and 6,818,190 Additional Warrants. If the Over-Allotment Option is exercised in full, the total “Price to the Public”, “Underwriters’ Fee” and “Net Proceeds to the Company” (before deducting the expenses of the Offering) will be \$11,500,013.80, \$805,000.97 and \$10,695,012.83, respectively. This Prospectus Supplement and the accompanying Shelf Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units (and the Additional Unit Shares, the Additional Warrants and the Additional Warrant Shares) to be issued upon exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Over-Allotment Option acquires those securities under this Prospectus Supplement and the accompanying Shelf Prospectus. See “*Plan of Distribution*”.
- (5) The Company has agreed to issue warrants to the Underwriters (the “**Broker Warrants**”) equal to 7% of the Units sold in the Offering (including those Units sold on exercise of the Over-Allotment Option). Each Broker Warrant will entitle the holder thereof to acquire one Common Share (each a “**Broker Warrant Share**”) at an exercise price of \$0.29, until 5:00 p.m. (Toronto time) on the date that is 36 months from the Closing Date. This Prospectus Supplement and the accompanying Shelf Prospectus also qualifies the grant of the Broker Warrants and the distribution of up to 3,659,095 Broker Warrant Shares upon exercise of the Broker Warrants. A purchaser who acquires securities forming part of the Broker Warrants acquires those securities under this Prospectus Supplement and the accompanying Shelf Prospectus. See “*Plan of Distribution*”.

The following table sets forth the maximum number of Additional Units that may be issued by the Company pursuant to the Over-Allotment Option:

Underwriters’ Position	Maximum Number of Securities Available	Exercise Period	Exercise
Over-Allotment Option	Option to acquire up to 6,818,190 Additional Units or 6,818,190 Additional Unit Shares and/or 6,818,190 Additional Unit Shares	Exercisable at any time for a period of 30 days from and after the Closing Date	\$0.22 per Unit

Unless the context otherwise requires, when used herein, all references to “**Units**”, “**Unit Shares**”, “**Warrants**” and “**Warrant Shares**” include the Additional Units, Additional Unit Shares, Additional Warrants, Additional Warrant Shares and Broker Warrants, as applicable.

The Units are being offered by Echelon Wealth Partners Inc. (“**Echelon**”), as lead underwriter, and Desjardins Securities Inc. (collectively with Echelon, the “**Underwriters**”) pursuant to an underwriting agreement dated January 27, 2020 (the “**Underwriting Agreement**”) between the Company and the Underwriters. The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the Company and delivered to

and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “*Plan of Distribution*” and subject to the approval of certain legal matters on behalf of the Company by Borden Ladner Gervais LLP and on behalf of the Underwriters by Dentons Canada LLP.

In connection with the Offering, and subject to applicable laws, the Underwriters may effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. The Underwriters propose to offer the Units initially at the Offering Price. See “*Plan of Distribution – Price Stabilization and Short Positions*”. **After the Underwriters have made reasonable efforts to sell all of the Units at the Offering Price, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Units remaining unsold. Any such reduction will not affect the proceeds received by the Company. See “*Plan of Distribution*”.**

Closing of the Offering is expected to take place on or about February 6, 2020, or such earlier or later date as the Company and the Underwriters may agree (the “**Closing Date**”).

Investing in the Units involves significant risks. You should carefully review and evaluate the risks contained in this Prospectus Supplement, the accompanying Shelf Prospectus and in the documents incorporated by reference herein and therein before purchasing the Units. See “*Forward-Looking Information*” and “*Risk Factors*”.

Subscriptions for Units received by the Underwriters will be subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. It is anticipated that the Units (and the Unit Shares and Warrants comprising such Units) will be delivered under the book-based system through CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and deposited in electronic form. A purchaser of the Units will receive only a customer confirmation from the registered dealer from or through which such Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold such Units on behalf of owners who have purchased such Units in accordance with the book-based system. No certificates will be issued unless specifically requested or required. See “*Plan of Distribution*”.

The Company’s head office is located at Suite 200, 56 Aberfoyle Crescent, Toronto, Ontario M8X 2W4 and its registered and records office is located at Suite 1900, 520 3rd Avenue SW, Calgary, Alberta T2P 0R3.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this Prospectus Supplement, which describes the terms of the Offering and adds to and updates information contained in the accompanying Shelf Prospectus and the documents incorporated by reference therein. The second part is the Shelf Prospectus, which gives more general information, some of which may not apply to the Offering. This Prospectus Supplement is deemed to be incorporated by reference into the Shelf Prospectus solely for the purpose of this Offering.

Neither we nor the Underwriters have authorized anyone to provide readers with information different from that contained in this Prospectus Supplement and the accompanying Shelf Prospectus (or incorporated by reference herein or therein). We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give readers of this Prospectus Supplement and the accompanying Shelf Prospectus. If the description of the Units or any other information varies between this Prospectus Supplement and the accompanying Shelf Prospectus (including the documents incorporated by reference herein and therein), you should rely on the information in this Prospectus Supplement. The Units are not being offered in any jurisdiction where the offer or sale is not permitted.

Readers should not assume that the information contained or incorporated by reference in this Prospectus Supplement and the accompanying Shelf Prospectus is accurate as of any date other than the date of this Prospectus Supplement and the accompanying Shelf Prospectus or the respective dates of the documents incorporated by reference herein or therein, unless otherwise noted herein or as required by law. It should be assumed that the information appearing in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein are accurate only as of their respective dates. The business, financial condition, results of operations and prospects of the Company may have changed since those dates.

This Prospectus Supplement shall not be used by anyone for any purpose other than in connection with the Offering. We do not undertake to update the information contained or incorporated by reference herein or in the Shelf Prospectus, except as required by applicable securities laws. Information contained on, or otherwise accessed through, our website shall not be deemed to be a part of this Prospectus Supplement or the accompanying Shelf Prospectus and such information is not incorporated by reference herein or therein.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Shelf Prospectus solely for the purposes of this Offering.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Company at Suite 200, 56 Aberfoyle Crescent, Toronto, Ontario M8X 2W4, Telephone: 647-689-6382, and are also available electronically at www.sedar.com.

The following documents, filed by the Company with securities commissions or similar regulatory authorities in each of the provinces of Canada, other than Quebec, are specifically incorporated by reference into, and form an integral part of, this Prospectus Supplement and the accompanying Shelf Prospectus:

- (a) the annual information form of the Company for the year ended August 31, 2019 dated January 17, 2020 (the “AIF”);
- (b) the audited consolidated financial statements of the Company, and the notes thereto for the years ended August 31, 2019 and 2018, together with the auditor’s report thereon;
- (c) the management’s discussion and analysis of the financial condition and results of operations of the Company for the year ended August 31, 2019; and

- (d) the management information circular of the Company dated January 6, 2020 distributed in connection with the Company's annual and special meeting of shareholders to be held on February 19, 2020.

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

Any document of the type referred to in paragraphs (a)-(d) above or similar material and any documents required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference into a short form prospectus, including any annual information forms, all material change reports (excluding confidential reports, if any), all annual and interim financial statements and management's discussion and analysis relating thereto, or information circular or amendments thereto filed by the Company with any securities commissions or similar regulatory authority in Canada after the date of this Prospectus Supplement and during the period that this Prospectus Supplement is effective, will be deemed to be incorporated by reference in this Prospectus Supplement and will automatically update and supersede information contained or incorporated by reference in this Prospectus Supplement. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Company and readers should review all information contained in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated or deemed to be incorporated by reference herein and therein.

References to our website in any documents that are incorporated by reference into this Prospectus Supplement and the Shelf Prospectus do not incorporate by reference the information on such website into this Prospectus Supplement or the Shelf Prospectus, and we disclaim any such incorporation by reference.

FORWARD-LOOKING STATEMENTS

This Prospectus Supplement, the accompanying Shelf Prospectus, and the documents incorporated herein and therein by reference contain certain "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking statements**") which are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. Generally, forward looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget" or "budgeted", "scheduled", "estimates", "projects", "intends", "proposes", "complete", "anticipates" or "does not anticipate", "believes", "likely", "may", "will", "should", "intend", "anticipate", "proposed", "potential", or variations of such words and phrases or state that certain actions, events, or results "may", "can", "could", "would", "might", "will be taken", "occur", or "be achieved", and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Forward-looking statements include, but are not limited to estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. Forward-looking statements are subject to known and unknown risks, uncertainties, and other factors that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such forward-looking statements are made as of the date of this Prospectus Supplement, or in the case of any document incorporated by reference herein, as of the date of each such document. Forward-looking statements in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein include, but are not limited to, statements with respect to:

- the completion of any offering of the Units and the receipt of all regulatory and stock exchange approvals in connection therewith;
- the use of the net proceeds of any offering of the Units;
- the performance of the Company's business and operations;
- use of proceeds from the Company's financing activities, including future draw down on existing facilities;
- industry growth trends, including with respect to projected sales;
- whether the Company will have sufficient working capital and its ability to raise additional financing required in order to develop its business and continue operations;
- the development, expansion, and assumed future results of operations of the Company's projects;
- the intention to grow the business and operations of the Company;
- consumer perception of the medical and recreational cannabis industry continuing to affect the market price of cannabis-related products;
- expectations with respect to the approval of the Company's applications for licences pursuant to federal, provincial and municipal regulation and legislation;
- the competitive conditions of the cannabis industry;
- the applicability of certain laws, regulations, and any amendments thereof;
- future legislative and regulatory developments involving medical and recreational cannabis;
- the ability to access sufficient capital from internal and external sources and the ability to access sufficient capital on favorable terms;
- the ability of the Company to generate cash flow from operations;
- income and sales tax regulatory matters, competition, sales projections, currency, and interest rate fluctuations;
- the competitive and business strategies of the Company;
- the grant and the impact of any licence or supplemental licence to conduct activities with cannabis or any amendments thereof;
- whether the Company will continue to be in compliance with regulatory requirements; and
- whether the key personnel will continue their employment with the Company.

Forward-looking statements contained in or incorporated by reference in this Prospectus Supplement or the accompanying Shelf Prospectus are based on the assumptions described in this Prospectus Supplement or the accompanying Shelf Prospectus. Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Given these risks, uncertainties, and assumptions, prospective purchasers of Units should not place undue reliance on these forward-looking statements.

More detailed assessment of the risks that could cause actual events or results to materially differ from our current expectations can be found in the AIF and under the heading "Risk Factors" in this Prospectus Supplement and the Shelf Prospectus.

A number of factors could cause actual events, performance or results to differ materially from what is projected in forward-looking statements. You should not place undue reliance on forward-looking statements contained in this Prospectus Supplement, the accompanying Shelf Prospectus or in any document incorporated by reference herein or therein. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements contained in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein are expressly qualified in their entirety by this cautionary statement.

NATIONAL ACCESS CANNABIS CORP.

The Company and its subsidiaries are in the business of operating retail locations to sell and distribute cannabis and cannabis related products, effective October 2018 when the *Cannabis Act*, S.C. 2018, c. 16 (the “**Cannabis Act**”) came into force. The Company also operates in the medical cannabis market by providing cannabinoid education and introducing patients to medical cannabis treatments via its national network of physicians and health professionals.

The Company has no current intention of becoming a holder of a cultivation licence, a processing licence, an analytical testing licence, a research licence or a sales for medical purposes licence, or any combination thereof, issued pursuant to the *Cannabis Regulations*, SOR/2018-144 (each, a “**Federal Licence Holder**”) and has no current intention to apply for a licence to produce cannabis under the Cannabis Act. In the event the Company becomes a Federal Licence Holder, conflicts of interest may arise between the Company’s current retail and medical clinic business and its future Federal Licence Holder business. In the context of vertically-integrated companies in the cannabis sector where there may be material relationships or transactions that involve conflicts of interest, whether actual or perceived, the Company will disclose any commissions, incentives, or other fees earned by the Company, its clinics, physicians, or other consultants. The Company will also disclose risks associated with conflicts of interest, including, but not limited to situations where the Company, its clinics, physicians, or other consultants are paid a commission or education grant from a Federal Licence Holder or dispensary that is related to the Company.

The Company does not engage in any U.S. marijuana-related activities as defined in Canadian Securities Administrators Staff Notice 51-352 (Revised) dated February 8, 2018. To the extent that the Company pursues international expansion, it will only conduct business in jurisdictions outside of Canada where such operations are legally permissible in accordance with the laws of the jurisdiction and applicable Canadian regulatory and stock exchange obligations.

USE OF PROCEEDS

The net proceeds from the sale of the Units to be received by us are estimated to be, if there is no exercise of the Over-Allotment Option, approximately \$9,300,011.16, after deducting the Underwriters’ Fee of \$700,000.84, but before deducting expenses of the Offering. If the Underwriter’s Option is exercised in full, the net proceeds from the sale of the Units are estimated to be approximately \$10,695,012.83 after deducting the Underwriters’ Fee of \$805,000.97, but before deducting expenses of the Offering.

The Company intends to use \$4,000,000 of the net proceeds of the Offering (assuming no exercise of the Over-Allotment Option) primarily for the buildout costs of its Ontario retail expansion strategy. The Company believes the Offering will provide the funding to develop up to 10 retail locations in Ontario. The remaining net proceeds of approximately \$5,300,000 are expected to be used to fund inventory for the Company’s 10 expansion stores in Ontario.

Execution of the Company’s Ontario retail expansion strategy is contingent, in part, upon the Company’s successful application for and receipt of an Ontario retail operator licence and retail store authorizations for each of its proposed cannabis retail store locations. The Alcohol and Gaming Commission of Ontario (“**AGCO**”) issues retail operator licences to private licensees and retail store authorizations for specific cannabis retail locations. On December 12, 2019, the Government of Ontario announced that it was taking steps beginning in January 2020 to open the market for cannabis retail. The AGCO began accepting operator licence applications from prospective retailers on January 6, 2020, with store authorization applications to follow on March 2, 2020. Store authorizations from this open application process are expected to be issued beginning in April 2020 at an initial rate of approximately 20 per month. The Government of Ontario also announced it would increase the number of authorized stores a retail licence holder can have, to ensure fair access for retailers. Until August 31, 2020, retail operators may own a maximum of 10 cannabis stores, with this number increasing to 30 in September 2020 and 75 in September 2021.

If the Over-Allotment Option is exercised in full, the Company will receive approximately up to an additional \$1,395,001.67 in net proceeds, after deducting the Underwriters’ Fee. Any amount received by the Company on account of the exercise of the Over-Allotment Option will be used for working capital and general corporate purposes.

The above-noted allocation represents the Company's intention with respect to its use of proceeds based on current knowledge and planning by management of the Company (excluding potential contingencies, any deficiencies and cost-overages and costs to integrate future expansion with existing facilities). Actual expenditures may differ from the estimates set forth above. There may be circumstances where, for sound business reasons, the Company reallocates the use of proceeds. See "*Risk Factors – Use of Proceeds*".

The Company had negative cash flow from operating activities of \$22,042,389 for the year ended August 31, 2019. As at August 31, 2019, the Company had total current assets of \$18,343,407, total current liabilities of \$13,142,746 and working capital surplus of \$5,200,661.

Although the Company anticipates it will have positive cash flow from operating activities in future periods, it cannot guarantee it will have a cash flow positive status from operating activities in future periods. As a result, the Company continues to rely on the issuance of securities or other sources of financing to generate sufficient funds to fund its working capital requirements and for corporate expenditures. The Company may continue to have negative cash flow from operating activities until sufficient levels of sales are achieved. To the extent that the Company has negative cash flow from operating activities in future periods, the Company may need to use a portion of the proceeds from any offering to fund such negative cash flow. See "*Risk Factors – Liquidity Risk and Negative Cash Flow*".

DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED

Common Shares

The Company is authorized to issue an unlimited number of Common Shares and preferred shares. As of the date hereof, there were 191,225,086 Common Shares issued and outstanding. No preferred shares are issued and outstanding.

See "*Description of Securities – Common Shares*" in the Shelf Prospectus for a detailed description of the attributes of the Common Shares.

Warrants

The Warrants issued under the Offering will be governed by the terms of a warrant indenture (the "**Warrant Indenture**") to be dated as of the Closing Date between the Company and TSX Trust Company or such other trustee as may be acceptable to the Company and the Underwriters (the "**Warrant Agent**"). The following summary of certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the Warrant Indenture. Reference should be made to the Warrant Indenture for the full text of attributes of the Warrants which will be filed by the Company under its corporate profile on SEDAR following the closing of the Offering.

Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, a Warrant Share at an exercise price of \$0.29 until the date that is 36 months following the Closing Date (the "**Expiry Date**"), after which time the Warrants will be void and of no value.

The Warrants may be issued in uncertificated form. Any Warrants issued in certificated form shall be evidenced by a warrant certificate in the form attached to the Warrant Indenture. All Warrants issued in the name of CDS may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book-entry position on the register of warrant holders to be maintained by the Warrant Agent at its offices in Calgary, Alberta.

The Warrants will not be exercisable by or on behalf of a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available.

The Warrant Indenture will provide that the share ratio and exercise price of the Warrants will be subject to adjustment in the event of a subdivision or consolidation of the Common Shares. The Warrant Indenture will also provide that if there is: (i) a reclassification or change of the Common Shares; (ii) any consolidation, amalgamation, arrangement or

other business combination of the Company resulting in any reclassification, or change of the Common Shares into other shares; or (iii) any sale or conveyance of the Company's assets as an entity or substantially as an entirety to another entity, then each holder of a Warrant that is thereafter exercised shall receive, in lieu of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Warrants prior to the event.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price of the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such events.

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

From time to time, the Company and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either: (a) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution or (b) adopted by an instrument in writing signed by the holders of not less than 66 2/3% of the aggregate number of all then outstanding Warrants.

CONSOLIDATED CAPITALIZATION

There have been no material changes in the share and loan capital of the Company, on a consolidated basis, since August 31, 2019, other than:

- On November 11, 2019, NAC provided notice to the registered holders of its \$1,000 principal amount 8.0% convertible secured senior debentures (the "**Convertible Debentures**") that, pursuant to the terms of the convertible debenture indenture dated November 23, 2018 between the Company and TSX Trust Company, as trustee thereunder, the Company elected to satisfy the entirety of its November 30, 2019 interest obligation in the amount of \$846,000 (the "**November 2019 Interest Obligation**") by the delivery of Common Shares to the registered holders of Convertible Debentures. On November 30, 2019, NAC delivered 4,140,005 Common Shares to the registered holders of Convertible Debentures in satisfaction of the November 2019 Interest Obligation at a conversion price of \$0.204 per Common Share, representing a price per Common Share equal to the volume weighted average price for the ten (10) consecutive trading days ending on November 27, 2019.
- On November 18, 2019, NAC entered into an additional amending agreement with the Opaskwayak Cree Nation (the "**OCN**") in respect of a \$9,000,000 loan provided to the Company by the OCN. Pursuant to the terms of the November 18, 2019 amending agreement, the OCN agreed to extend the maturity of the loan to December 31, 2022 at an interest rate of 10%, subject to the payment by NAC of an annual administration fee in the amount \$225,000.

On December 18, 2019, NAC entered into a new loan agreement with the OCN in respect of an additional unsecured loan, pursuant to which OCN will lend up to \$11,000,000 to the Company (the "**2019 OCN Loan**"). The 2019 OCN Loan has a 5-year term and any funds drawn down carry an interest rate of 10% per annum and incur an annual administration fee of 2.5% on the weighted average balance of the 2019 OCN Loan advanced to the applicable date, paid annually to OCN each December 31. The Company plans to use

the proceeds from the 2019 OCN Loan to fund the build-out of its Ontario portfolio of cannabis retail locations as well as for working capital purposes.

PRIOR SALES

The following table sets forth the details regarding all issuances of Common Shares, including issuances of all securities convertible or exchangeable into Common Shares, during the 12-month period before the date of this Prospectus Supplement.

Date of issuance	Security	Issuance/Exercise price per security	Number of securities
February 26, 2019	Warrants	\$0.70	960,000
February 26, 2019	Options	\$0.70	1,645,000
February 26, 2019	Options	\$0.91	350,000
April 15, 2019	Options	\$0.92	500,000
May 31, 2019	Common Shares	\$0.68	1,290,150
November 30, 2019	Common Shares	\$0.20	4,140,005

TRADING PRICE AND VOLUME

The Common Shares are listed and traded on the TSXV under the trading symbol “META”. The following table sets forth the reported intraday high and low prices (which are not necessarily the closing prices) and monthly trading volumes of the Common Shares for the 12-month period preceding the date of this Prospectus Supplement, as quoted on the TSXV:

Period	High Trading Price (\$)	Low Trading Price (\$)	Volume (#)
January 1, 2020 – January 24, 2020	0.37	0.195	13,927,020
December 2019	0.41	0.170	21,814,035
November 2019	0.295	0.155	12,710,043
October 2019	0.42	0.270	7,083,622
September 2019	0.60	0.375	5,390,420
August 2019	0.52	0.395	4,387,835
July 2019	0.64	0.470	6,421,448
June 2019	0.75	0.520	10,126,792
May 2019	0.83	0.600	5,549,564
April 2019	1.04	0.770	25,258,970
March 2019	0.87	0.660	14,620,905
February 2019	0.75	0.610	8,039,256
January 2019	0.76	0.540	7,514,395

The Convertible Debentures are listed and traded on the TSXV under the trading symbol “META.DB”. The following table sets forth the reported intraday high and low prices and trading volumes of the Convertible Debentures for the 12-month period preceding the date of this Prospectus Supplement, as quoted on the TSXV:

Period	High Trading Price	Low Trading Price	Volume (#)
January 1, 2020 – January 24, 2020	N/A	N/A	N/A
December 2019	N/A	N/A	N/A
November 2019	N/A	N/A	N/A
October 2019	N/A	N/A	N/A
September 2019	N/A	N/A	N/A
August 2019	N/A	N/A	N/A
July 2019	N/A	N/A	N/A
June 2019	N/A	N/A	N/A
May 2019	N/A	N/A	N/A
April 2019	N/A	N/A	N/A
March 2019	N/A	N/A	N/A
February 2019	N/A	N/A	N/A
January 14, 2019 – January 31, 2019	N/A	N/A	N/A

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Company has agreed to sell and the Underwriters have agreed to purchase on the Closing Date, or such other date as may be agreed upon by the Company and the Underwriters, subject to the terms and conditions stated in the Underwriting Agreement, all but not less than all of the 45,454,600 Units at a price of \$0.22 per Unit, for aggregate gross consideration of up to \$10,000,012 payable in cash to the Company against delivery of the Units. The Offering Price has been determined by arms' length negotiation between the Company and Echelon, on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares.

The obligations of the Underwriters under the Underwriting Agreement are several (and not joint or joint and several), are subject to certain closing conditions and may be terminated at their discretion on the basis of “material adverse change out”, “disaster out”, “breach out” and “market out” provisions in the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. The Underwriters are, however, obligated to take up and pay for all of the Units they have agreed to purchase if they purchase any Units under the Underwriting Agreement.

The Company has granted to the Underwriters the Over-Allotment Option, exercisable, in whole or in part, at any time and from time to time, at the sole discretion of the Underwriters, for a period of 30 days from and including the Closing Date, to purchase up to an additional 6,818,190 Additional Units (representing 15% of the total number of Units offered hereunder) at the Offering Price. Each Additional Unit consists of one Additional Unit Share and one Additional Warrant. Each Additional Warrant entitles the holder thereof to purchase one Additional Warrant Share and has the same terms as the Warrants. The Over-Allotment Option may be exercised by the Underwriters to acquire either: (i) Additional Units at the Offering Price; (ii) Additional Warrants at \$0.027 per Additional Warrant; (iii) Additional Unit Shares at \$0.193 per Additional Unit Share; or (iv) any combination of Additional Units, Additional Warrants and Additional Unit Shares, at the respective prices set out above, so long as the aggregate number of Additional Unit Shares and Additional Warrants that may be issued under the Over-Allotment Option does not exceed 6,818,190 Additional Unit Shares and 6,818,190 Additional Warrants. This Prospectus Supplement and the accompanying Shelf Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units (and the Additional Unit Shares, the Additional Warrants and the Additional Warrant Shares) to be issued upon exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Over-Allotment Option acquires those securities under this Prospectus Supplement and the accompanying Shelf Prospectus.

The Offering is being made in each of the provinces of Canada, other than Québec. The Units will be offered in each of the relevant provinces of Canada, other than Quebec, through those Underwriters or their affiliates who are registered to offer the Units for sale in such provinces and such other registered dealers as may be designated by the Underwriters. The Units may be offered and sold in the United States pursuant to available exemptions from registration under the U.S. Securities Act and under the securities laws of any applicable state. Subject to applicable law, the Underwriters may offer the Units in such other jurisdictions outside of Canada and the United States as agreed between the Company and the Underwriters.

Closing of the Offering is expected to take place on or about February 6, 2020, or such other date as may be agreed upon by the Company and the Underwriters.

Subscriptions will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. It is anticipated that the Units (and the Unit Shares and Warrants comprising such Units) will be delivered under the book-based system through CDS or its nominee and deposited in electronic form. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Units in accordance with the book-based system. No certificates will be issued unless specifically requested or required.

The Company has applied to list the Unit Shares, the Warrants, the Warrant Shares and the Broker Warrant Shares to be distributed under this Prospectus Supplement and the accompanying Shelf Prospectus on the TSXV. Listing will be subject to the Company fulfilling all listing requirements of the TSXV.

The Underwriters propose to offer the Units initially at the Offering Price. **After the Underwriters have made reasonable efforts to sell all of the Units at the Offering Price, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Units remaining unsold. Any such reduction will not affect the proceeds received by the Company.**

Underwriters' Fee, Expenses and Broker Warrants

In consideration for the services provided by the Underwriters in connection with the Offering, and pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay the Underwriters the Underwriters' Fee equal to 7% of the gross proceeds from the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option).

The Company has also agreed to reimburse the Underwriters for their reasonable fees and expenses incurred in connection with the Offering subject to certain limitations, including the reasonable, actual and documented fees of external counsel to the Underwriters (subject to an agreed cap) together with taxes and disbursements.

The Company has agreed to issue Broker Warrants to the Underwriters equal to 7% of the Units sold in the Offering (including those Units sold on exercise of the Over-Allotment Option). Each Broker Warrant will entitle the holder thereof to acquire one Common Share at an exercise price of \$0.29, until 5:00 p.m. (Toronto time) on the date that is 36 months from the Closing Date. This Prospectus Supplement and the accompanying Shelf Prospectus also qualifies the grant of the Broker Warrants and the distribution of up to 3,659,095 Broker Warrant Shares upon exercise of the Broker Warrants. A purchaser who acquires Broker Warrants or Broker Warrants Shares acquires those securities under this Prospectus Supplement and the accompanying Shelf Prospectus.

Indemnity and Contribution

The Company has agreed to indemnify the Underwriters, and certain related parties as further set out in the Underwriting Agreement, against certain liabilities, relating to, caused by, resulting from, arising out of or based upon, directly or indirectly, the Underwriters' activities in connection with the Offering; provided however that the Company will not be required to indemnify any such person to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable has determined that such losses were caused solely by the fraud, negligence or willful misconduct of such persons.

Future Issue of Securities

Pursuant to the Underwriting Agreement, the Company has agreed not to, directly or indirectly, issue, agree to issue, or announce an intention to issue, any additional Common Shares or any securities convertible into or exchangeable for Common Shares, except in connection with: (i) the exchange, transfer, conversion or exercise rights of existing outstanding securities; (ii) the issuance of options under the Company's stock option plan; (iii) the issuance of restricted share units under the Company's restricted share unit plan; (iv) existing commitments to issue securities; (v) an arm's length acquisition (including to acquire assets or intellectual property rights); or (vi) under the Offering, for a period of 90 days from the Closing Date without the prior written consent of Echelon, on behalf of the Underwriters, such consent not to be unreasonably withheld or delayed.

Pursuant to the Underwriting Agreement, it is a condition of the closing of the Offering that all of the Company's senior officers and directors, will enter into lock-up agreements that prohibit such individuals from, directly or indirectly, selling, transferring or pledging, or otherwise disposing of, any securities of the Company for a period of 90 days following the Closing Date without the prior written consent of Echelon, on behalf of the Underwriters, such consent not to be unreasonably withheld or delayed. The lock-up agreements do not prohibit the Company's directors and senior officers from transferring Common Shares for a take-over bid or any other similar transaction made generally to all the shareholders of the Company; or an internal reorganization of any entities controlled by such director of senior officer.

Price Stabilization and Short Positions

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions including (i) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities; (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities; or (iii) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. Consistent with these requirements, and in connection with this distribution, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on the TSXV, in the over-the-counter market or otherwise.

Selling Restrictions

The Underwriters may also offer for sale the Units in the United States, by or through United States registered broker-dealers that may be appointed by the Underwriters as sub-agents, to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("**Qualified Institutional Buyers**")) or to, or for the account or benefit of, U.S. Persons who are Qualified Institutional Buyers under certain exemptions from the registration requirements of the U.S. Securities Act and the applicable state laws. In addition, the Underwriters may offer the Units outside of Canada and the United States, provided that the Underwriters shall not take any action (a) giving rise to any requirement under the laws of such jurisdiction to prepare and/or file a prospectus, registration statement or document having similar effect; or (b) creating any ongoing compliance or continuance disclosure obligations for the Company pursuant to the laws of such jurisdiction.

The Unit Shares and Warrants comprising the Units, and the Warrant Shares issuable on the exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any securities or "blue sky" laws of any of the states of the United States, and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons except in accordance with an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Except as permitted in the Underwriting Agreement, and as expressly permitted by applicable laws of the United States, the Underwriters will not offer, sell or deliver the Units within the United States or to, or for the account or benefit of, U.S. Persons. The Underwriting Agreement enables the Underwriters, by or through certain United States registered broker-dealers that may be appointed by the

Underwriting as sub-agents, to offer and sell the Units in the United States to Qualified Institutional Buyers or to, or for the account or benefit of, U.S. Persons who are Qualified Institutional Buyers, provided such offers and sales are made in compliance with Rule 506(b) of Regulation D under the U.S. Securities Act and/or Section 4(a)(2) of the U.S. Securities Act and applicable state securities laws. Moreover, the Underwriting Agreement provides that the Underwriters, by or through certain United States registered broker-dealers appointed by the Underwriters as sub-agents, will offer and sell the Units outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act.

The Warrants may not be exercised in the United States except pursuant to exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws, and the holder has delivered to the Company a written opinion of counsel, in form and substance reasonably satisfactory to the Company; provided, however, that a Qualified Institutional Buyer that purchased the Warrants pursuant to Rule 506(b) of Regulation D under the U.S. Securities Act and/or Section 4(a)(2) of the U.S. Securities Act for its own account, or for the account of another Qualified Institutional Buyer for which it exercised sole investment discretion with respect to such original purchase (an “**Original Beneficial Purchaser**”), will not be required to deliver an opinion of counsel if it exercises the Warrants for its own account or for the account of the Original Beneficial Purchaser, if any, if each of it and such Original Beneficial Purchaser, if any, was a Qualified Institutional Buyer at the time of its purchase and exercise of the Warrants.

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

This Prospectus Supplement does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Units within the United States or to, or for the account or benefit of, U.S. Persons. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units offered hereby within the United States or to, or for the account or benefit of, U.S. Persons by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act unless such offer or sale is made pursuant to an exemption from registration under the U.S. Securities Act.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires a Unit pursuant to this Offering. For purposes of this summary, references to Common Shares include Unit Shares and Warrant Shares unless otherwise indicated. This summary applies only to a purchaser who is a beneficial owner of Common Shares and Warrants acquired pursuant to this Offering and who, for the purposes of the *Income Tax Act* (Canada) (the “**Tax Act**”), and at all relevant times: (i) deals at arm’s length and is not affiliated with the Company, the Underwriters or any subsequent purchaser of such Common Shares or Warrants; and (ii) holds the Common Shares and Warrants as capital property (a “**Holder**”).

Common Shares and Warrants will generally be considered to be capital property to a Holder unless they are held in the course of carrying on a business of trading or dealing in securities or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (i) that is a “financial institution” within the meaning of section 142.2 of the Tax Act; (ii) that is a “specified financial institution” as defined in subsection 248(1) of the Tax Act; (iii) that has elected to report its Canadian tax results in a currency other than the Canadian currency; (iv) an interest in which is a “tax shelter investment” for the purposes of the Tax Act, (v) that has entered into or will enter into a “derivative forward agreement” or “synthetic disposition arrangement”, as defined in subsection 248(1) of the Tax Act, in respect of Common Shares or Warrants’ or (vi) that receives dividends on Common Shares under or as part of a “dividend rental arrangement” as defined in subsection 248(1) of the Tax Act. Such Holders should consult their own tax advisors.

This summary is based upon: (i) the current provisions of the Tax Act and the regulations thereunder (“**Regulations**”) in force as of the date hereof; (ii) all specific proposals to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof (“**Proposed Amendments**”); and (iii) counsel’s understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”). No assurance can be given that the Proposed Amendments will be enacted or otherwise implemented in their current form, if at all. If the Proposed Amendments are not enacted or otherwise implemented as presently proposed, the tax consequences may not be as described below in all cases. This summary does not otherwise take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, regulatory, administrative, governmental or judicial decision or action, nor does it take into account the tax laws of any province or territory of Canada or of any jurisdiction outside of Canada.

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

Allocation of Cost

A Holder who acquires a Unit pursuant to this Offering will be required to allocate the purchase price paid for each Unit on a reasonable basis between the Unit Share and the Warrant comprising each Unit in order to determine their respective costs to such Holder for the purposes of the Tax Act.

For its purposes, the Company has advised counsel that, of the \$0.22 subscription price for each Unit, it intends to allocate \$0.193 to each Unit Share and \$0.027 to each Warrant and believes that such allocation is reasonable. The Company’s allocation, however, is not binding on CRA or on a Holder. The adjusted cost base to a Holder of each Unit Share comprising a part of a Unit acquired pursuant to this Offering will be determined by averaging the cost of such Unit Share with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder upon the exercise of a Warrant. When a Warrant is exercised, the cost to the Holder of the Warrant Share so acquired will be the aggregate of the adjusted cost base, for that Holder, of the Warrant and the price paid for the Warrant Share upon exercise of the Warrant. The Holder’s adjusted cost base of the Warrant Share so acquired will be determined by averaging the cost of the Warrant Share acquired upon the exercise of a Warrant with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the exercise of the Warrant.

Holders Resident in Canada

This section of the summary applies to a Holder who, at all relevant times, is, or is deemed to be, resident in Canada for the purposes of the Tax Act (“**Resident Holder**”). A Resident Holder whose Common Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have the Common Shares and every other “Canadian security” (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Such election is not available in respect of Warrants. Resident Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances.

Expiry of Warrants

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

Dividends

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Common Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations. Taxable dividends received from a taxable Canadian corporation which are designated by such corporation as “eligible dividends” will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the rules in the Tax Act. There may be limitations on the ability of the Company to designate dividends as eligible dividends.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a “private corporation” or a “subject corporation”, as defined in the Tax Act, will generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing the Resident Holder’s taxable income for the year. This tax will generally be refunded to the corporation when sufficient dividends are paid while it is a private corporation or a subject corporation.

Dispositions of Common Shares and Warrants

A Resident Holder who disposes of or is deemed to have disposed of a Common Share or Warrant (other than on the exercise of a Warrant) will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of the Common Share or Warrant immediately before the disposition or deemed disposition. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading “*Taxable Capital Gains and Losses*”.

Taxable Capital Gains and Losses

A Resident Holder will generally be required to include in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will generally be required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) against taxable capital gains realized in the taxation year of disposition. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

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

Other Income Taxes

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay a refundable tax on its “aggregate investment income” (as defined in the Tax Act) for the year, including taxable capital gains realized on the disposition of Common Shares or Warrants and certain dividends.

In general terms, a Resident Holder who is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Common Shares or realizes a capital gain on the disposition or deemed disposition of Common Shares or Warrants may be liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act: (i) is not, and is not deemed to be, resident in Canada; and (ii) does not use or hold the Common Shares or Warrants in the course of a business carried on or deemed to be carried on in Canada (“Non-Resident Holder”). This summary does not apply to a Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act). Such Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed under the Tax Act to be paid or credited by the Company to a Non-Resident Holder on the Common Shares will generally be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident. For example, where a Non-Resident Holder is a resident of the United States, is fully entitled to the benefits under the *Canada-United States Income Tax Convention* (1980) and is the beneficial owner of the dividend, the applicable rate of Canadian withholding tax is generally reduced to 15%.

Dispositions of Common Shares and Warrants

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

Generally, a Common Share or Warrant (as applicable) will not constitute taxable Canadian property of a Non-Resident Holder provided that the Common Shares are listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes Tiers 1 and 2 of the TSXV) at the time of disposition of such security, unless at any time during the 60 month period immediately preceding the disposition, (i) at least 25% of the issued shares of any class or series of the capital stock of the Company were owned by or belonged to any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm’s length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Common Share or Warrant that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention, the consequences described above under the heading “*Holders Resident in Canada — Dispositions of Common Shares and Warrants*” will generally be applicable to such disposition. Such Non-Resident Holders should consult their own tax advisors.

ELIGIBILITY FOR INVESTMENT

In the opinion of Borden Ladner Gervais LLP, counsel to the Company, and Dentons Canada LLP, counsel to the Underwriters, based on the current provisions of the Tax Act and the Regulations in force as of the date hereof, the Common Shares and Warrants, if issued on the date hereof, would be qualified investments for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered

disability savings plan, tax-free savings account (collectively referred to as “**Registered Plans**”) or a deferred profit sharing plan (“**DPSP**”), provided (i) the Common Shares and Warrants are listed on a designated stock exchange in Canada for the purposes of the Tax Act (which currently includes Tiers 1 and 2 of the TSXV), and (ii) in the case of the Warrants, neither the Company, nor any person with whom the Company does not deal at arm’s length is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of the particular Registered Plan or DPSP.

Notwithstanding the foregoing, the holder of, subscriber of or annuitant under, a Registered Plan (the “**Controlling Individual**”) will be subject to a penalty tax in respect of Common Shares or Warrants held in the Registered Plan if such securities are a prohibited investment for the particular Registered Plan. A Common Share or Warrant generally will not be a "prohibited investment" for a Registered Plan if the Controlling Individual deals at arm's length with the Company for the purposes of the Tax Act and the Controlling Individual does not have a "significant interest" (as defined in subsection 207.01(4) the Tax Act) in the Company. In addition, the Common Shares will not be a “prohibited investment” if the Common Shares are “excluded property” as defined in the Tax Act for a Registered Plan. Controlling Individuals should consult their own tax advisors as to whether the Unit Shares, Warrant Shares, or Warrants will be a prohibited investment in their particular circumstances.

RISK FACTORS

Before making an investment decision, prospective purchasers of Units should carefully consider the information described in this Prospectus Supplement, the accompanying Shelf Prospectus and in the documents incorporated by reference herein. There are certain risks inherent in an investment in the Units, including the factors listed below, and any other risk factors described in a document incorporated by reference in this Prospectus Supplement and the accompanying Shelf Prospectus, which investors should carefully consider before investing. Some of the following factors and the risk factors described in the documents incorporated by reference in this Prospectus Supplement and the accompanying Shelf Prospectus are interrelated and, consequently, investors should treat such risk factors as a whole. The risks described in this Prospectus Supplement, the accompanying Shelf Prospectus and in the documents incorporated by reference herein and therein describe certain currently known material factors, any of which could have a material adverse effect on the Company’s business, prospects, financial condition and results of operations. If any of the following or other risks occur, it could have a material adverse effect on the business, prospects, financial condition and results of operations of the Company and on the trading price of the Common Shares or the Warrants (if listed), which could materially decline, and investors may lose all or part of their investment. It is also believed that these factors could cause actual results to be different from expected results. Additional risks and uncertainties of which the Company is currently unaware or that are unknown or that it currently deems to be immaterial could also have a material adverse effect on the Company’s business, prospects, financial condition and results of operations. The Company cannot assure prospective purchasers that it will successfully address any or all of these risks. There is no assurance that any risk management steps taken will avoid future loss due to the occurrence of any of the risks described in this Prospectus Supplement and in the documents incorporated by reference herein, or other unforeseen risks. The market in which the Company currently competes is very competitive and changes rapidly. Sometimes new risks emerge and management may not be able to predict them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. Prospective purchasers should not rely upon forward-looking statements as a prediction of future results. In addition to the risks described elsewhere in this Prospectus Supplement and the accompanying Shelf Prospectus, including in the documents incorporated by reference herein, the following risks for the Company should be considered.

Risks Relating to the Offering

Discretion in the Use of Proceeds.

Management will have discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditure. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering other than as described under the heading “Use of Proceeds” if they believe it would be in the Company’s best interest to do so and in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company’s results of operations may suffer.

Volatile Market Price of the Common Shares

The market price of the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control. This volatility may affect the ability of holders of Common Shares to sell their securities at an advantageous price. Market price fluctuations in the Common Shares may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Common Shares.

Financial markets historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

Risk Factors Related to Dilution

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

Liquidity Risk and Negative Cash Flow

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company reported negative cash flow from operating activities for the financial year ended August 31, 2019 and the Company has historically reported negative cash flow from operating activities for prior fiscal years. As a result of its negative cash flow, the Company continues to rely on the issuance of securities or other sources of financing to generate sufficient funds to fund its working capital requirements and for corporate expenditures. The Company may continue to have negative cash flow from operating activities until sufficient levels of sales are achieved. To the extent that the Company has negative cash flow from operating activities in future periods, the Company may need to use a portion of proceeds from any offering to fund such negative cash flow.

Market for the Warrants

There is currently no market through which the Warrants may be sold. Although the Company has applied to list the Warrants on the TSXV, there can be no assurance that such listing approval will be obtained from the TSXV. There can be no assurance that an active or liquid trading market will develop for the Warrants after the Offering, or if developed, that such a market will be sustained. If an active or liquid market for the Warrants fails to develop or be sustained, the prices at which the Warrants trade may be adversely affected.

The market price of the Warrants will be based on a number of factors, including but not limited to: (i) the markets for similar securities; (ii) the financial condition, results of operations and prospects of the Company; (iii) the market price and volatility of the Common Shares; (iv) changes in the industry in which the Company operates and competition affecting the Company; and (v) general market and economic conditions.

Purchasers may not be able to resell Warrants purchased under this Prospectus Supplement and the accompanying Shelf Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of these securities and the extent of issuer regulation. There can be no assurance that an active trading market for the Warrants to be listed will develop or, if developed, that any such market, and the markets for our Common Shares, will be sustained.

Risks Relating to the Company

Future Licences

The Company may be required to obtain or renew further government permits and licences for its operations. Obtaining, amending or renewing the necessary governmental permits and licences can be a time-consuming process, potentially involving numerous regulatory agencies, and involving public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain, amend and renew permits and licences are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the relevant permitting or licensing authority. The Company may not be able to obtain, amend or renew permits or licences that are necessary to its operations. Any unexpected delays or costs associated with the permitting and licensing process could impede the ongoing or proposed operations of the Company. To the extent necessary permits or licences are not obtained, amended or renewed, or are subsequently suspended or revoked, the Company may be curtailed or prohibited from proceeding with its ongoing operations or planned development and commercialization activities. Such curtailment or prohibition may result in a material adverse effect which means, with respect to any party, any change, event, effect, occurrence or state of facts that has, or could reasonably be expected to constitute a material adverse change in respect of or to have an effect that is materially adverse to the business, assets, liabilities (including contingent liabilities), conditions (financial or otherwise), prospects or results of operations of the party and its subsidiaries, as applicable, taken as a whole ("**Material Adverse Effect**").

Reliance on Third Party Licences

The Company will be dependent on its suppliers' licences, or ability to obtain additional licences, which are subject to ongoing compliance and reporting requirements. Failure to comply with the requirements of these licences or any failure to obtain or maintain such licences could have a material adverse impact on the business, financial condition and operating results of the Company. There can be no guarantee that Health Canada and/or provincial regulators will issue, extend or renew these licences or, if issued, extended or renewed, that they will be issued, extended or renewed on terms that are favourable to the Company's suppliers and the Company. Should Health Canada and/or provincial regulators not issue, extend or renew the licences or should they issue or renew the licences on terms that are less favourable to such supplier and the Company than anticipated, the business, financial condition and results of the operations of the Company could be materially adversely affected.

Risks Relating to its Suppliers

Cannabis retailers are dependent on the supply of cannabis products from Federal Licence Holders. There can be no assurance that there will be a sufficient supply of cannabis available to the Company to purchase and to operate its business or satisfy demand. Federal Licence Holders' growing operations are dependent on a number of key inputs and their related costs, including raw materials and supplies. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact Federal Licence Holders and, in turn, the Company's financial condition and operating results. Any inability of Federal Licence Holders to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the Company's business, financial condition and operating results.

The facilities of the Company's suppliers could be subject to adverse changes or developments, including but not limited to a breach of security, which could have a Material Adverse Effect on the Company's business, financial condition and prospects. Any breach of the security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by Health Canada, could also have an impact on the Company's suppliers' ability to continue operating under their licences or the prospect of renewing their licences, which may have an adverse effect on the Company.

Cannabis Prices

The price of the Common Shares and the Company's financial results may be significantly and adversely affected by a decline in the price of cannabis. There is currently no established market price for cannabis, and the price of cannabis is affected by numerous factors beyond the Company's control. Any price decline may have a Material Adverse Effect on the Company.

The profitability of the Company may be directly related to the price of cannabis. The Company's operating income may be sensitive to changes in the price of cannabis and the overall condition of the cannabis industry.

Risks Inherent in an Agricultural Business

The business of certain of the Company's suppliers involves the growing of cannabis. Cannabis is an agricultural product. As such, the business is subject to the risks inherent in the agricultural business such as insects, plant diseases and similar agricultural risks. Weather conditions, which can vary substantially from year to year, have a significant impact on the size and quality of the harvest of the crops processed and sold by the Company's suppliers. Significant fluctuations in the total harvest will impact the Company's ability to operate. High degrees of quality variance can also affect the ability of the Company to obtain and retain customers. There can be no assurance that natural elements will not have a Material Adverse Effect on the production of products by the Company's suppliers, which may have a Material Adverse Effect on the Company.

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. If any of the products produced by the Company's suppliers are recalled due to an alleged product defect or for any other reason, the Company may be required to incur unexpected expenses relating to the recall and potentially any legal proceedings that might arise in connection with the recall. In addition, a product recall may require significant management attention. 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 products produced by the Company's suppliers were subject to recall, the image of that product, the supplier and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand and could have a Material Adverse Effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses which may also have an adverse effect on the Company.

Product Liability

As a seller of products designed to be ingested by humans, the Company will face an inherent risk of exposure to product liability claims, regulatory action and litigation if the products it sells are alleged to have caused significant loss or injury. In addition, the manufacture and sale of cannabis products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of cannabis products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including that the products they sell caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances.

A product liability claim or regulatory action against the Company could result in increased costs to the Company, could adversely affect the Company's reputation with its clients and consumers generally and could have a Material Adverse Effect on the Company's results of operations and financial condition of the Company. There can be no assurances that the Company or the Company's suppliers will be able to obtain or 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 obtain sufficient insurance coverage on

reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of products.

LEGAL MATTERS

Certain legal matters relating to Canadian law with respect to the Offering will be passed upon on our behalf by Borden Ladner Gervais LLP and on behalf of the Underwriters by Dentons Canada LLP. The partners, counsel and associates of each of Borden Ladner Gervais LLP and Dentons Canada LLP, respectively as a group, beneficially own directly and indirectly, less than one percent of our outstanding securities of any class.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are MNP LLP, Chartered Professional Accountants, Ottawa, Ontario. MNP LLP is independent of the Company in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario. The transfer agent and registrar for the Common Shares is TSX Trust Company at its offices in Calgary, Alberta.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

Original purchasers of securities which are convertible into other securities of the Company ("**Convertible Securities**") will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such Convertible Securities. The contractual right of rescission will entitle such original purchasers to receive the amount paid upon conversion, exchange or exercise, upon surrender of the underlying securities gained thereby, in the event that this Prospectus Supplement contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus Supplement.

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

CERTIFICATE OF THE COMPANY

January 27, 2020

The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada, other than Québec.

(Signed) Mark Goliger
Chief Executive Officer

(Signed) Michael Cosic
Chief Financial Officer

On behalf of the Board of Directors:

(Signed) Rocco Meliambro
Director

(Signed) Christian Sinclair
Director

CERTIFICATE OF THE UNDERWRITERS

January 27, 2020

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada, other than Québec.

ECHELON WEALTH PARTNERS INC.

(Signed) Peter Graham
Managing Director

DESJARDINS SECURITIES INC.

(Signed) William Tebbutt
Managing Director

Base Shelf Prospectus

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

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

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

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of National Access Cannabis Corp., Suite 200, 56 Aberfoyle Crescent, Toronto, Ontario M8X 2W4, Telephone: 647-689-6382, and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue and Secondary Offering

August 1, 2019



NATIONAL ACCESS CANNABIS CORP.

\$200,000,000

**COMMON SHARES
PREFERRED SHARES
WARRANTS
SUBSCRIPTION RECEIPTS
UNITS
DEBT SECURITIES**

This short form base shelf prospectus (the “**Prospectus**”) relates to the offering for sale by National Access Cannabis Corp. (“**NAC**” or the “**Company**”) from time to time, during the 25-month period that this Prospectus, including any amendments hereto, remains valid, of up to \$200,000,000 (or the equivalent in other currencies based on the applicable exchange rate at the time of the offering) in the aggregate of: (i) common shares (“**Common Shares**”) in the capital of the Company; (ii) preferred shares (“**Preferred Shares**”) in the capital of the Company; (iii) warrants (“**Warrants**”) to purchase other Securities (as defined below); (iv) subscription receipts (“**Subscription Receipts**”) convertible into other Securities; (v) units (“**Units**”) comprised of one or more of any of the other Securities, or any combination of such Securities; (vi) debt securities of the Company which may or may not be converted into other Securities (“**Debt Securities**”) and together with the Common Shares, Preferred Shares, Warrants, Subscription Receipts and Units, the “**Securities**”). The Securities may be offered in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying prospectus supplement (each, a “**Prospectus Supplement**”). In addition, the Securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Company or one of its subsidiaries. The consideration for any such acquisition may consist of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and assumption of liabilities.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus except in cases where an exemption from such delivery has been obtained. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The specific terms of any Securities offered will be described in the applicable Prospectus Supplement including, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the currency (which may be Canadian dollars or any other currency), the offering price, whether the Common Shares are being offered for cash, the identity of any selling securityholders and any other terms specific to the Common Shares offered; (ii) in the case of Preferred Shares, the number of Preferred Shares offered, the currency (which may be Canadian dollars or any other currency), the offering price, whether the Preferred Shares are being offered for cash, the identity of any selling securityholders and any other terms specific to the Preferred Shares offered; (iii) in the case of Warrants, the number of Warrants being offered, the currency (which may be Canadian dollars or any other currency), the offering price, the designation, number and terms of the other Securities purchasable upon exercise of the Warrants, and any procedures that will result in the adjustment of those numbers, the exercise price, the dates and periods of exercise, whether the Warrants are being offered for cash, and any other terms specific to the Warrants offered; (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the currency (which may be Canadian dollars or any other currency), the offering price, the terms, conditions and procedures for the conversion of the Subscription Receipts into other Securities, the designation, number and terms of such other Securities, whether the Subscription Receipts are being offered for cash, and any other terms specific to the Subscription Receipts offered; (v) in the case of Units, the number of Units being offered, the currency (which may be Canadian dollars or any other currency), the offering price, the number and terms of the Securities comprising the Units, whether the Units are being offered for cash, and any other terms specific to the Units offered; and (vi) in the case of the Debt Securities, the designation, aggregate principal amount and authorized denominations of the Debt Securities, and limit on the aggregate principal amount of the Debt Securities, the currency (which may be Canadian dollars or any other currency), the issue price (at par, at a discount or at a premium), the issue and delivery date, the maturity date (including any provisions for the extension of a maturity date), the interest rate (either fixed or floating and, if floating, the method of determination thereof), the interest payment date(s), the provisions (if any) for subordination of the Debt Securities to other indebtedness, any redemption or purchase provisions, any repayment provisions, any terms entitling the holder to exchange or convert the Debt Securities into other securities, any defeasance provisions, security (if any) applicable to such Debt Securities and any other specific terms. A Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus. Where required by statute, regulation or policy, and where the Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the Securities will be included in the Prospectus Supplement describing the Securities.

No underwriter or agent has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.

The Company is not making an offer of the Securities in any jurisdiction where such offer is not permitted.

The Company may offer and sell the Securities to or through underwriters or dealers purchasing as principals, and may also sell directly to one or more purchasers or through agents or pursuant to applicable statutory exemptions. See “*Plan of Distribution*”. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged by the Company in connection with the offering and sale of the Securities, and will set forth the terms of the offering of such Securities, including, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents in connection with the offering, the method of distribution of the Securities, the initial issue price (in the event that the offering is a fixed price distribution), the proceeds that the Company will or expects to receive, and any other material terms of the plan of distribution.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to the prevailing price of a specified security in a specified market or at prices to be negotiated with purchasers, in which case the compensation payable to an underwriter, dealer or agent in connection with any such sale will be decreased by the amount, if any, by which the aggregate price paid for Securities by the purchasers is less than the gross proceeds paid by the underwriter, dealer or agent to the Company. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution.

In connection with any offering of Securities, other than an “at-the-market distribution” (as defined under applicable Canadian securities legislation), unless otherwise specified in a Prospectus Supplement, the underwriters, dealers or agents, as the case may be, may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Securities at a level other than those which otherwise might prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time. A purchaser who acquires Securities forming part of the underwriters’, dealers’ or agents’ over-allocation position acquires those Securities under this Prospectus and the Prospectus Supplement relating to the particular offering of Securities, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases. See “*Plan of Distribution*”. No underwriter or dealer involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such underwriter or dealer will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

The issued and outstanding Common Shares are listed for trading on the TSX Venture Exchange (the “**TSXV**”) under the symbol “**META**”. On July 31, 2019, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was \$0.50.

Unless otherwise specified in the applicable Prospectus Supplement, each series or issue of Securities (other than Common Shares) will be a new issue of Securities with no established trading market. Accordingly, there is currently no market through which the Securities (other than Common Shares) may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus and the applicable Prospectus Supplement. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. See “*Risk Factors*”.

An investment in the securities of the Company is highly speculative and involves significant risks that should be carefully considered by prospective investors before purchasing such securities. The risks outlined in this Prospectus and in the documents incorporated by reference herein should be carefully reviewed and considered by prospective investors in connection with an investment in such securities. See “*Risk Factors*” and “*Cautionary Statement Regarding Forward Looking Information*”. Potential investors are advised to consult their own legal counsel and other professional advisers in order to assess income tax, legal and other aspects of this investment.

Investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of any Securities.

The Company’s head office is located at Suite 200, 56 Aberfoyle Crescent, Toronto, Ontario M8X 2W4. The Company’s registered office is located at Suite 1900, 520 3rd Avenue SW Calgary, Alberta, T2P 0R3.

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ABOUT THIS PROSPECTUS

An investor should rely only on the information contained in this Prospectus and in the documents incorporated by reference herein and is not entitled to rely on parts of the information contained in this Prospectus or documents incorporated by reference herein to the exclusion of others. NAC has not authorized anyone to provide investors with additional or different information. NAC is not offering to sell the Securities in any jurisdictions where the offer or sale of such Securities is not permitted. The information contained in this Prospectus or in the documents incorporated by reference herein is accurate only as of the date of this Prospectus or the respective date of the applicable document incorporated by reference herein, regardless of the time of delivery of this Prospectus or of any sale of the Securities.

For investors outside Canada, NAC has not done anything that would permit the offering of the Securities or possession or distribution of this Prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Investors are required to inform themselves about, and to observe any restrictions relating to, the offering of the Securities and the possession or distribution of this Prospectus.

In this Prospectus and in any Prospectus Supplement, unless the context otherwise requires, references to “**NAC**” or the “**Company**”, refer to National Access Cannabis Corp., either alone or together with its subsidiary.

All dollar amounts set forth in this Prospectus are expressed in Canadian dollars unless otherwise indicated.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus and the documents incorporated by reference herein contain information that may constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information involves statements that are not based on historical information, but rather relate to future operations, strategies, financial results or other developments. Forward-looking information is necessarily based upon estimates and assumptions, which are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Company’s control and many of which, regarding future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking information made by or on the Company’s behalf. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. All factors should be considered carefully and investors should not place undue reliance on the Company’s forward-looking information as actual results may vary. Examples of such forward-looking information within this Prospectus include, but are not limited to, statements relating to: estimated cash requirements for planned business operations and growth, completion and timing of further strategic acquisitions and investments, debt repayment, product demand, competition and government regulations. Forward-looking information is made based on management’s beliefs, estimates and opinions and is given only as of the date of this Prospectus. The Company undertakes no obligation to update forward-looking information if these beliefs, estimates and opinions or other circumstances should change, except as may be required by applicable law.

Forward-looking information reflects the Company’s current views with respect to expectations, beliefs, assumptions, estimates and forecasts about the Company’s business and the industry and markets in which the Company operates. Forward-looking information is not a guarantee of future performance and involves risks, uncertainties and assumptions, which are difficult to predict. Assumptions underlying the Company’s expectations regarding forward-looking statements or information contained in this Prospectus include, among others, the Company’s ability to comply with applicable governmental regulations and standards, the Company’s success in implementing its strategies and achieving its business objectives, the Company’s ability to raise sufficient funds from equity or other financings in the future to support its operations, and general business and economic conditions. The foregoing list of assumptions is not exhaustive.

Persons reading this Prospectus are cautioned that forward-looking information is only a prediction, and that the Company’s actual future results or performance are subject to certain risks and uncertainties including:

- performance of the Company’s business and operations;

- the Company's expectations regarding revenues, expenses and anticipated costs;
- whether the Company will have sufficient working capital and its ability to raise additional financing required in order to develop its business and continue operations;
- industry growth trends, including with respect to projected sales;
- the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis;
- the Company's plans with respect to the payment of dividends;
- the impact of general business and economic conditions;
- whether the Company will continue to be in compliance with regulatory requirements; and
- whether the key personnel will continue their employment with the Company.

Some of the important risks and uncertainties that could affect forward-looking statements are described in this Prospectus. Should one or more of these risks and uncertainties materialize, or should underlying factors or assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Material factors or assumptions involved in developing forward-looking statements include, without limitation, that:

- the laws, regulations and guidelines generally applicable to the medical cannabis industry not changing in ways currently unforeseen by the Company;
- the laws, regulations and guidelines generally applicable to the adult-use recreational cannabis industry not changing in ways currently unforeseen by the Company;
- future clinical research studies on the effects of medical cannabis do not lead to conclusions that dispute or conflict with the Company's understanding and belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis;
- the medical cannabis industry and market in Canada will continue to grow, and the Company will be successful in this new industry and market;
- the Company has the ability to compete for market share with other companies, including licenced producers, which may have longer operating histories and more financial resources, manufacturing and marketing experience than the Company;
- the Company is able to attract or retain key personnel with sufficient experience in the recreational and medical cannabis industry, and has the ability to attract, develop, and retain additional employees required for the Company's development and future success;
- there is adequate cannabis supply available to warrant the Company's expansion plans;
- the Company has been approved by the Manitoba Liquor and Gaming Authority (the "LGA") to open five additional retail cannabis location in Manitoba pending final inspection;
- the Company will have sufficient working capital and be able to secure additional funding necessary for the continued development of its business interests;
- the Company will successfully integrate acquired businesses and assets;
- the Company will continue to be successful in acquiring assets and investments that strategically fit and at competitive prices; and
- the ability to meet the LP Financing (as defined herein) milestones.

This list is not exhaustive of the factors that may affect any of forward-looking statements or information of the Company. Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management of the Company to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "*Risk Factors*".

Although the Company believes that the expectations conveyed by the forward-looking statements are reasonable based on the information available to it on the date such statements were made, no assurances can be given as to future results, approvals or achievements. The forward-looking statements contained in this Prospectus and the documents incorporated by reference herein are expressly qualified by this cautionary statement.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in each of the provinces of Canada, other than Québec. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of National Access Cannabis Corp., Suite 200, 56 Aberfoyle Crescent, Toronto, Ontario M8X 2W4, Telephone: 647-689-6382, and are also available electronically at www.sedar.com under NAC's s profile.

The following documents, filed with the securities commissions or similar authorities in each of the provinces of Canada, other than Québec, are specifically incorporated by reference in, and form an integral part of, this Prospectus:

- (a) the annual information form of the Company for the year ended August 31, 2018 dated June 7, 2019 (the "**AIF**");
- (b) the audited consolidated financial statements of the Company, and the notes thereto for the years ended August 31, 2018 and 2017, together with the auditors' report thereon;
- (c) the management's discussion and analysis of the financial condition and results of operations of the Company for the year ended August 31, 2018;
- (d) the unaudited condensed interim consolidated financial statements of the Company, and the notes thereto for the three and nine months ended May 31, 2019 and 2018;
- (e) the interim management's discussion and analysis of the financial condition and results of operations of the Company for the three and nine months ended May 31, 2019;
- (f) the management information circular of the Company dated October 17, 2018 distributed in connection with the Company's annual and special meeting of shareholders held on November 20, 2018 (the "**Management Information Circular**");
- (g) the material change report dated September 11, 2018 regarding the acquisition by NAC of The Green Company Limited ("**NewLeaf**");
- (h) the material change report dated October 29, 2018 regarding the announcement of a brokered private placement of up to \$35 million in special warrants of the Company (the "**Special Warrant Offering**") and the closing of the first tranche of the Company's non-brokered private placement financing of Common Shares for gross proceeds to the Company of \$20,000,000;
- (i) the material change report dated November 23, 2018 regarding the announcement of the closing of the Special Warrant Offering;
- (j) the material change report dated December 3, 2018 regarding the acquisition by the Company of all of NAC Alberta Inc.'s minority interest in NAC Northern Alberta GP and NAC Northern Alberta Limited Partnership;
- (k) the December 6, 2018 supplement to the statement of Executive Compensation contained in the Management Information Circular, to correct an inadvertent overstatement concerning the terms of the executive employment agreement between the Company and its Chief Executive Officer, Mark Goliger;
- (l) the material change report dated December 19, 2018 regarding the receipt by the Company of a \$9,000,000 loan from the Opaskwayak Cree Nation;

- (m) the material change report dated January 25, 2019 regarding a share purchase agreement entered into between NAC Prairies Ltd. (a wholly-owned subsidiary of the Company) and New Leaf Emporium Inc. to acquire all of the issued and outstanding shares of New Leaf Emporium Inc.;
- (n) the material change report dated July 22, 2019 regarding the conditional share purchase agreement entered into between Meta West Coast Ltd. (a wholly-owned subsidiary of the Company) and Sicamous Trading Company Incorporated to acquire 19.9% of the issued and outstanding shares of Sicamous Trading Company; and

Any documents of the type referred to in the preceding paragraph, any material change report (except confidential material change reports), comparative interim financial statements, comparative annual financial statements and the accompanying report of the auditor, any business acquisition report, any Prospectus Supplement disclosing additional or updated information, any exhibit to financial statements of NAC or Prospectus Supplement containing earnings coverage ratios, and the template version of any marketing materials filed by NAC with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of this Prospectus and prior to the termination of the distribution of the applicable Securities shall be deemed to be incorporated by reference in this Prospectus.

In addition, certain marketing materials (as that term is defined in applicable Canadian securities legislation) may be used in connection with a distribution of Securities under this Prospectus and the applicable Prospectus Supplement(s). Any “template version” of “marketing materials” (as those terms are defined in applicable Canadian securities legislation) pertaining to a distribution of Securities, and filed by the Company after the date of the Prospectus Supplement for the distribution and before termination of the distribution of such Securities, will be deemed to be incorporated by reference in that Prospectus Supplement for the purposes of the distribution of Securities to which the Prospectus Supplement pertains.

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

Upon a new annual information form and related annual audited consolidated financial statements (and the management’s discussion and analysis in respect thereof) being filed by NAC with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form, the previous annual audited consolidated financial statements, all interim unaudited consolidated financial reports (and the management’s discussion and analysis in respect thereof), material change reports and business acquisition reports filed by NAC prior to the commencement of NAC’s fiscal year in which the new annual information form was filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon an interim unaudited consolidated financial report (and the management’s discussion and analysis in respect thereof) being filed by NAC with the applicable securities regulatory authorities during the currency of this Prospectus, all interim unaudited consolidated financial reports (and the management’s discussion and analysis in respect thereof) filed prior to the new interim unaudited consolidated financial report shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon a new management information circular relating to an annual meeting of shareholders of NAC being filed by NAC with the applicable securities regulatory authorities during the currency of this Prospectus, the management information circular for the preceding annual meeting of shareholders shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

A Prospectus Supplement containing the specific terms of an offering of Securities, updated disclosure of earnings coverage ratios, if applicable, and other information relating to the Securities, will be delivered to prospective

purchasers of such Securities together with this Prospectus and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement only for the purpose of the offering of the Securities covered by that Prospectus Supplement.

NATIONAL ACCESS CANNABIS CORP.

Name and Incorporation

The Company was incorporated as “Brassneck Capital Corp.” (“**Brassneck**”) on June 15, 2015 pursuant to Articles of Incorporation issued pursuant to the *Business Corporations Act* (Alberta). Prior thereto, National Access Cannabis Corp. (“**Old NAC**”) was incorporated pursuant to Articles of Incorporation issued pursuant to the *Business Corporations Act* (British Columbia) on November 14, 2014. On August 30, 2017, Old NAC completed a reverse takeover of Brassneck (the “**RTO**”) pursuant to the terms of an amalgamation agreement dated July 10, 2017 (the “**Amalgamation Agreement**”) among Brassneck, Old NAC and 1119622 B.C. Ltd. (“**Subco**”), a wholly-owned subsidiary of Brassneck. In accordance with the terms of the Amalgamation Agreement, Subco merged with Old NAC under the provisions of the *Business Corporations Act* (British Columbia) and the combined entity, National Access Cannabis Corp., became a wholly-owned subsidiary of the Company. In connection with the RTO, Brassneck completed a share split (the “**Share Split**”) of all of its issued and outstanding common shares and all outstanding options and warrants to purchase common shares on the basis of 1.205 post-Share Split common shares for every one pre-Share Split common share. Upon completion of the RTO, Common Shares were issued to former shareholders of Old NAC, on a one-for-one basis and the business and shareholders of Old NAC became the business and shareholders of the Company. The Company filed Articles of Amendment on August 30, 2017 and changed its name to “National Access Cannabis Corp.”

In connection with the RTO, the TSXV required that the Company deliver an undertaking (the “**TSXV Undertaking**”) confirming that, while listed on the TSXV, the Company will only conduct the business of owning and operating medical clinics that aim to connect Canadians with cannabis producers licenced under the Access to Cannabis for Medical Purposes Regulations, SOR/2013-230 (“**ACMPR**”) in accordance with applicable law, unless prior approval is obtained from TSXV. In accordance with the TSXV Undertaking, in the fall of 2017, the Company received TSXV approval to pursue business opportunities in Canada’s recreational retail cannabis sector.

The head office of the Company is located at Suite 200, 56 Aberfoyle Crescent, Toronto, Ontario M8X 2W4. The registered office of the Company is located at 1900, 520 3rd Avenue SW, Calgary, Alberta, Canada T2P 0R3.

The Common Shares are listed on the TSXV under the trading symbol “META”. The Company is currently a reporting issuer in Canada in the each of the provinces of Canada, except Québec.

The following chart illustrates, as of the date hereof, the Company’s material subsidiaries, including their respective jurisdiction of incorporation/governing law and the percentage of voting securities beneficially owned, directly or indirectly, by the Company.

Company Name	Ownership interest by NAC	Classification (Subsidiary, associate, other)	Jurisdiction of Incorporation
The Green Company Ltd.	100%	Subsidiary	Alberta
National Access Cannabis (MB Retail) Holdings Corp.	100%	Subsidiary	Alberta

All references in this Prospectus to the Company or NAC also include references to the subsidiaries of the Company as applicable, unless the context requires otherwise.

Description of the Business of the Company

The Company and its subsidiaries are in the business of operating retail locations to sell and distribute cannabis and cannabis related products, effective October 2018 when the *Cannabis Act* (Canada) came into force. The Company also operates in the medical cannabis market by providing cannabinoid education and introducing patients to medical cannabis treatments via its national network of physicians and health professionals.

The Company has no current intention of becoming a Federal License Holder and has no current intention to apply for a licence to produce cannabis under the *Cannabis Act* (Canada). In the event the Company becomes a Federal License Holder, conflicts of interest may arise between the Company's current medical clinic business and its future Federal License Holder business. In the context of vertically-integrated companies in the cannabis sector where there may be material relationships or transactions that involve conflicts of interest, whether actual or perceived, the Company will disclose any commissions, incentives, or other fees earned by the Company, its clinics, physicians, or other consultants. The Company will also disclose risks associated with conflicts of interest, including, but not limited to situations where the Company, its clinics, physicians, or other consultants are paid a commission or education grant from a Federal License Holder or dispensary that is related to the Company.

The Company does not engage in any U.S. marijuana-related activities as defined in Canadian Securities Administrators Staff Notice 51-352 (Revised) dated February 8, 2018. To the extent that the Company pursues international expansion, it will only conduct business in jurisdictions outside of Canada where such operations are legally permissible in accordance with the laws of the jurisdiction and applicable Canadian regulatory and stock exchange obligations.

For additional information regarding the Company's business, see the AIF incorporated by reference in this Prospectus.

Recent Developments

On August 23, 2018, the Company converted a \$1,850,000 secured convertible debenture into 123,333 common shares in the capital of NewLeaf, representing 9.9% of the issued and outstanding common shares of NewLeaf.

On September 11, 2018, the Company executed an option amending agreement pursuant to which the Company acquired all of the remaining issued and outstanding shares of NewLeaf not already owned by the Company (the "**Option Amending Agreement**"), for total consideration of \$23,582,000 in Common Shares and \$5,895,500 in cash (the "**NewLeaf Consideration**"), all of which were issued into escrow pending NewLeaf achieving certain post-closing milestones. The aggregate amount of the NewLeaf Consideration was determined based on certain assumptions, including: (i) NewLeaf opening 25 stores in the 12-month period following the Company's acquisition of NewLeaf, and (ii) \$250,000 of capital expenditures and operating expenses being required to open each NewLeaf store.

Pursuant to the terms of the Option Amending Agreement, the NewLeaf Consideration is releasable from escrow, proportionately in respect of each NewLeaf store, as NewLeaf receives retail licences from the Alberta Gaming, Liquor & Cannabis Commission ("**AGLC**") for its retail store locations. Upon release from escrow, however, the NewLeaf Consideration is subject to upward or downward adjustment where the actual capital expenditures incurred in respect of opening a particular NewLeaf store varies from the \$250,000 estimated baseline. The NewLeaf Consideration, as adjusted pursuant to the terms of the Option Amending Agreement, is described further in the amended and restated unaudited condensed interim consolidated financial statements of the Company, and the notes thereto for the three and six months ended February 28, 2019 and 2018.

On November 23, 2018, the Company issued 21,150 special warrants (the "**Special Warrants**") at a price of \$1,000 per Special Warrant for gross proceeds of \$21,150,000 (the "**Special Warrant Offering**"). The Special Warrants were issued pursuant to the terms of a special warrant indenture (the "**Special Warrant Indenture**") dated November 23, 2018 between the Company and TSX Trust Company, as special warrant agent thereunder ("**TSX Trust**") and an agency agreement dated November 23, 2018 (the "**Agency Agreement**") among the Company and Cormark Securities Inc., Canaccord Genuity Corp., Beacon Securities Limited, INFOR Financial Inc. and PI Financial Corp., as agents (collectively the "**Agents**").

Each Special Warrant entitled its holder to receive, upon exercise or deemed exercise, \$1,000 principal amount of 8.0% convertible secured senior debentures of NAC (the "**Convertible Debentures**") at no additional cost. On January 10, 2019, the Special Warrants were exercised into \$21,150,000 aggregate principal amount of Convertible Debentures pursuant to a convertible debenture indenture dated November 23, 2018 (the "**CD Indenture**") between the Company and TSX Trust, as trustee thereunder.

The Convertible Debentures are senior secured obligations of NAC and bear interest at a rate of 8.00% per annum, payable semi-annually in arrears on May 31 and November 30 of each year, commencing May 31, 2019. Subject to certain conditions, the Convertible Debentures are convertible, at the holder's option, into Common Shares at the price of \$1.08 per Common Share (the "**Conversion Price**") at any time prior to the close of business on the earlier of: (a) the business day immediately preceding the maturity date, being November 30, 2021; and (b) the date fixed for redemption pursuant to the CD Indenture.

NAC has the right at any time beginning 4 months and one day following the closing date of the Special Warrant Offering to force the conversion of the principal amount of the then outstanding Convertible Debentures at the Conversion Price on not less than 30 days' notice should the daily volume weighted average trading price of the Common Shares be greater than \$1.57 for any 10 consecutive trading days. Holders converting their Convertible Debentures under a mandatory conversion will receive unpaid interest thereon for the period from the date of the latest interest payment date to, and including, the maturity date.

All of the obligations of the Company under the Convertible Debentures and under the CD Indenture are secured by a general security agreement pursuant to which the Company granted a security interest to TSX Trust as representative of and trustee on behalf of the Convertible Debentures holders on all present and after-acquired property and undertakings of the Company with such collateral to be governed by certain security documents (the "**Security Documents**").

On November 23, 2018, the Company directed \$20,244,830, being the net proceeds of the Special Warrant Offering after deducting the fees and expenses payable to the Agents under the Agency Agreement, to the Opaskwayak Cree Nation (the "**OCN**") in partial satisfaction of the Company's indebtedness to the OCN under a loan agreement and related contracts pursuant to which the OCN agreed to lend up to \$35,000,000 to the Company (the "**July OCN Loan Agreement**"). On November 22, 2018, the Company paid \$6,471,367 to OCN, which, together with the net proceeds of the Special Warrant Offering paid to the OCN on November 23, 2018, satisfied the entirety of the Company's indebtedness under the July OCN Loan Agreement in the amount of \$26,716,197, representing \$25,000,000 drawn on the loan plus accrued interest and fees.

On November 30, 2018, the Company acquired all of NAC Alberta Inc.'s minority interest in NAC Northern Alberta GP and NAC Northern Alberta Limited Partnership for the forgiveness of \$192,702 of debt and the issuance of 2,173,913 Common Shares at a price of \$0.69 per Common Share.

On December 14, 2018, the Company announced that it completed a financing transaction whereby the OCN provided the Company with a \$9,000,000 loan (the "**December OCN Loan**"). The December OCN Loan has a term of six months and bears interest at a rate of 8% per annum. The Company intends to use the proceeds of the December OCN Loan for the build-out of Western Canada and Ontario retail cannabis stores under its META retail brand.

In connection with the OCN's advancement of the December OCN Loan, the Company granted to the OCN 900,000 common share purchase warrants entitling the OCN to acquire, upon exercise thereof, one Common Share at a price of \$1.08 until December 14, 2021.

On January 15, 2019, NAC, through its wholly-owned subsidiary NAC Prairies Ltd. ("**NAC Prairies**"), entered into a share purchase agreement, whereby NAC Prairies acquired all of the issued and outstanding shares of New Leaf Emporium (the "**New Leaf Emporium Shares**") for \$1.2 million in cash and the issuance of 649,880 Common Shares at a price of \$0.62 per Common Share (the "**Purchase Price**"). The Purchase Price and the New Leaf Emporium Shares were placed into escrow on January 15, 2019 and were released to the former shareholders of New Leaf Emporium on April 18, 2019, upon receipt from the Saskatchewan Liquor and Gaming Authority of approval for NAC to operate the New Leaf Emporium premises in Moose Jaw, Saskatchewan. As of April 18, 2019, NAC Prairies owns all of the issued and outstanding shares of New Leaf Emporium.

On February 26, 2019, in connection with an amended consulting services agreement between NAC and Paskwayak NAC Investment Limited Partnership, NAC granted Paskwayak NAC Investment Limited Partnership 960,000 common share purchase warrants entitling Paskwayak NAC Investment Limited Partnership to acquire, upon exercise thereof, one Common Share at a price of \$0.70 until August 1, 2019. Pursuant to the consulting services agreement, Paskwayak NAC Investment Limited Partnership has agreed to provide NAC with consulting, lobbying and other services in connection with securing retail locations on indigenous lands. Pursuant to the consulting services

agreement, warrants exercisable into 240,000 Common Shares are issued and vest each time that: (i) a standalone retail location on indigenous lands is confirmed with Paskwayak NAC Investment Limited Partnership's assistance; or (ii) a legally binding definitive agreement between NAC and an indigenous group in respect of a retail location on indigenous lands is executed with Paskwayak NAC Investment Limited Partnership's assistance.

On May 7, 2019, NAC provided notice to the registered holders of the Convertible Debentures that, pursuant to the terms of the CD Indenture, the Company elected to satisfy the entirety of its May 31, 2019 interest obligation (the "**Current Interest Obligation**") by the delivery of Common Shares to the registered holders of Convertible Debentures. The Common Shares issued in satisfaction of the Current Interest Obligation were issued at \$0.68 per Common Share, representing a price per Common Share equal to the volume weighted average price for the ten (10) consecutive trading days ending on May 28, 2019.

On May 30, 2019, NAC announced that it amended the December OCN Loan by way of an amending agreement dated May 24, 2019. Pursuant to the amending agreement, NAC converted the December OCN Loan into an unsecured open line of credit in the aggregate principal amount of \$9,000,000. As amended, the December OCN Loan matures on December 14, 2019 and is subject to an amended interest rate of 10% per annum beginning June 15, 2019.

On May 31, 2019, NAC delivered 1,290,150 Common Shares to the registered holders of Convertible Debentures. No fractional Common Shares were issued in satisfaction of the Current Interest Obligation.

On July 15, 2019, the Company entered into a conditional share purchase agreement to acquire 19.9% of Sicamous Trading Company Incorporated ("**STC**"). STC currently has one retail cannabis store licence application in progress with the British Columbia Liquor and Cannabis Regulation Branch ("**LCRB**") and plans to add more locations over the next 12 months. Pursuant to the share purchase agreement, the Company will acquire 199,000 common shares in the capital of STC, being 19.9% of the issued and outstanding shares in the capital of STC, in exchange for \$200,000, payable by the issuance of Common Shares at a price of \$0.53 per share. The STC shares and Common Shares payable as consideration therefore are to be held in escrow until such time that STC acquires a retail cannabis store licence from the LCRB and the LCRB has approved the transfer of the purchased shares to NAC. The Company has entered into a management agreement with STC whereby the Company will provide certain store development and operational services to support STC in its retail store development in exchange for management fees calculated as a set percentage of STC's store-level EBITDA.

Pursuant to the terms of a letter agreement between the Company and the OCN dated July 23, 2019, the Company and the OCN agreed to extend the maturity of the December OCN Loan to August 1, 2020, subject to certain conditions precedent. Under the terms of the letter agreement, if the Company elects to extend the term of the December OCN Loan to a maturity date of August 1, 2020, the interest rate of the December OCN Loan shall increase to 12% per annum and the Company shall be obligated to deliver 1,000,000 Common Share purchase warrants registered in the name of the OCN. Such warrants shall be exercisable for a term of 36 months at an exercise price equal to the closing price of the Common Shares on the TSXV on the date prior to the issuance of such warrants.

REGULATORY FRAMEWORK

The provincial and territorial regulatory frameworks relating to cannabis are complex and rapidly evolving. Provincial and territorial governments in Canada have taken different approaches to regulate the distribution and sale of adult-use cannabis. Québec, New Brunswick, Nova Scotia and Prince Edward Island have chosen publicly operated retail and online sales. Manitoba, Saskatchewan and Newfoundland & Labrador have opted for private sector retail and online sales. Ontario, Alberta and British Columbia have implemented hybrid approaches of public online sales and private retail sales (in addition to public retail sales in British Columbia). The Company continues to monitor these regulatory changes and related announcements, and their impact on the Company's business and operations, including plans for further expansion of adult use retail locations.

Federal Regulatory Framework

On April 13, 2017, the Federal Government released Bill C-45. On November 27, 2017, the House of Commons passed Bill C-45, and on June 19, 2018, Bill C-45 was passed by the Senate of Canada. On June 20, 2018, the Government of Canada officially announced that the production, distribution and sale of cannabis for unqualified adult use would become legal on October 17, 2018, and subsequently on June 21, 2018, the Cannabis Act received royal

assent. On June 27, 2018, Health Canada established the Cannabis Regulations under the Cannabis Act. The Cannabis Regulations include details related to cultivation, processing, packaging, labelling, distribution, sale, importation and exportation of cannabis and cannabis products. Provincial legislation regulates storefront and online sales of regulated cannabis products. See “*Risk Factors*”. Some aspects of the Cannabis Act and Cannabis Regulations are summarized below.

Licences, Permits and Authorizations

The Cannabis Regulations provide that all licences issued under the Cannabis Act would be valid for a period of no more than five years. The Cannabis Regulations allow for outdoor and indoor commercial cultivation of cannabis. The Cannabis Regulations provide a licensing and permitting framework for cultivation, processing, packaging, labelling, distribution and sale of cannabis and cannabis products. The Minister of Health has introduced the Cannabis Tracking and Licensing System (“**CTLS**”) to facilitate the federal licensing process.

Licences issued under the repealed ACMPR of the CDSA that were in force immediately before the Cannabis Act came into force are deemed to be licences issued under the corresponding provisions of the Cannabis Regulations and any such licences will continue in force until revoked or the expiration date is reached. For example, in the general course, a licence for production and sale of dried marihuana and cannabis oil under the ACMPR was grandfathered into a standard cultivation licence, a standard processing licence and a sales licence for medical purposes under the Cannabis Regulations.

Similarly, the Cannabis Act generally provides that licences pertaining to cannabis issued under the *Narcotic Control Regulations* (Canada) (“**NCR**”) of the CDSA that were in force immediately before the Cannabis Act came into force are deemed to be licences issued under corresponding provisions of the Cannabis Act that are appropriate for the particular NCR licence, and any such licences will continue in force until revoked or until they expire. For example, a licence issued under the NCR authorizing cultivation of cannabis for scientific purposes shall be a research licence under the Cannabis Act.

Security Clearances

The Cannabis Regulations require that certain individuals hold security clearances, including all individuals occupying key positions, individuals, such as shareholders, that have direct control over a Federal Licence Holder, and the officers and directors of any corporation having direct control over a Federal Licence Holder. In a notable departure from the ACMPR, officers and directors of a parent corporation must be security cleared. Security clearances issued under the ACMPR or the NCR are grandfathered into security clearances under the Cannabis Regulations by the Cannabis Act. The Cannabis Regulations provided a three-month grace period for Federal Licence Holders to identify those individuals who require security clearances and to apply for such security clearances (i.e., until January 17, 2019). On November 7, 2018, Health Canada issued a notice that the same grace period would be extended to applicants for an ACMPR licence who were passed security clearance on October 17, 2018.

Cannabis Tracking System

Under the Cannabis Act, the Minister of Health is authorized to establish and maintain a national cannabis tracking system. The purpose of this system 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 of Health 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. In addition to providing a portal for licensing, the CTLS allows federal licensees to track cannabis. Federal Licence Holders are required to use the CTLS to submit monthly reports to the Minister of Health, among other things.

Cannabis Products

The Cannabis Act and the Cannabis Regulations regulated for sale dried cannabis, cannabis oil, fresh cannabis, cannabis plants and cannabis seeds. Edibles containing cannabis, cannabis concentrates and cannabis topicals are not currently regulated for sale. On December 20, 2018, the Federal Government published *Proposed Regulations Amending the Cannabis Regulations (New Classes of Cannabis) and Proposed Order Amending Schedules 3 and 4 to the Cannabis Act* (the “**Proposed Regulations**”).

The purposes of the Cannabis Act includes providing for the licit production of cannabis to reduce illicit activities in relation to cannabis and providing access to a quality-controlled supply of cannabis. Product diversification will help the regulated market displace the illicit market. Additional dosage forms of cannabis made possible by the Cannabis Regulations relative to the ACMPR include pre-rolls and vaporization cartridges manufactured with dried cannabis. The Proposed Regulations will expand the classes of cannabis to include edibles containing cannabis, cannabis extracts and cannabis topicals. Under the Proposed Regulations, cannabis oil and cannabis concentrates are proposed to be regulated together as cannabis extracts, as both are products that are produced using extraction processing methods or by synthesizing phytocannabinoids. Cannabis extracts under the Proposed Regulations are described as a separate class from cannabis edibles and cannabis topicals.

Packaging and Labelling

The Cannabis Regulations require plain packaging for cannabis products, including strict requirements for logos, colours and branding. The Cannabis Regulations require mandatory health warnings, standardized cannabis symbol and specific product information. Cannabis package labels must include specific information, such as: (i) product source information, including the class of cannabis and the name, phone number and email of the processor; (ii) a mandatory health warning, rotating between Health Canada's list of standard health warnings; (iii) the Health Canada standardized cannabis symbol (other than for products with less than 0.3% w/w THC); and (iv) THC and CBD content. The Cannabis Regulations provide a six-month transitional period to allow licensed holders to sell cannabis products labelled in accordance with the ACMPR, into medical sales channels only and not adult use sales channels. These requirements are intended to promote informed consumer choice and allow for the safe handling and transportation of cannabis, while also reducing the appeal of cannabis to youth and promoting safe consumption.

Promotional Activity and Inducements

The Cannabis Act restricts the promotion of cannabis products and inducements related to cannabis, cannabis accessories and services related to cannabis.

Subject to a few exceptions, all promotions of cannabis, cannabis accessories and services related to cannabis are prohibited unless authorized by the Cannabis Act. Exceptions to the general prohibition on promotion are provided for information and brand preference promotions only. These exceptions are only available in certain contexts, such as age-gated websites and opt-in email newsletters. Content is also restricted to avoid content that could reasonably be viewed as appealing to young people, that communicates price or availability, or that could evoke positive or negative emotions. Endorsements, testimonials, and sponsorships of events or organizations are also prohibited regardless of the context. The definition of "promotion" is tied to activity that is intended to promote sale of cannabis, cannabis accessories or services related to cannabis.

The Cannabis Act prohibits inducements, including providing cannabis, cannabis accessories or services related to cannabis free of charge or as compensation for purchasing another product or service. Similarly, products or services that are not cannabis may not be offered in exchange for purchasing cannabis.

Cannabis for Medical Purposes

On October 17, 2018, medical cannabis access was moved from the ACMPR and the CDSA to the Cannabis Regulations and the Cannabis Act. The medical cannabis regulatory framework under the Cannabis Regulations remains substantively the same as it previously existed under the ACMPR, with some changes to make licensing of cultivation and processing uniform as between cannabis for adult use and medical sales, and improve patient access (see Part 14 of the Cannabis Regulations).

Sale of medical cannabis remains federally regulated and in each case, sales can only be made by a Federal Licence Holder that holds a licence to sell under the Cannabis Regulations to clients that have registered a medical document with the licensed entity. Medical documents are effective for up to a year and allow an individual to register as a client to order from the federal licensee online or via telephone. Medical cannabis is shipped directly to the client. The amount an individual can order from a federal licensee is determined by a daily quantity defined in a medical document. Alternatively, individuals may file their medical document with Health Canada and obtain a registration certification to cultivate and process their own cannabis for personal medical use.

A licence to sell is not required to sell between federally licensed entities, such as between licensed cultivators and processors, or provincial liquor authorities in the adult use market (or directly to retail permittees in Saskatchewan).

Provincial Regulatory Framework

The Cannabis Regulations regulate commercial production, packaging, labelling and other upstream aspects of cannabis and cannabis accessories. The Cannabis Act provides the basis for the Cannabis Regulations and also restricts promotional activity and inducements related to cannabis, cannabis accessories and services related to cannabis. The Cannabis Act allows the provinces and territories of Canada to regulate sale of cannabis. In addition, the provinces have constitutional authority to regulate other aspects of cannabis and cannabis use, as is the case for liquor and tobacco. Sale and distribution, minimum age requirements, restrictions on promotional activity beyond those of the Cannabis Act, locations where cannabis can be consumed, and a range of other matters are regulated differently by the provinces and territories. The governments of every Canadian province and territory have, to varying degrees, implemented regulatory regimes for the distribution and sale of cannabis for adult use purposes within their respective jurisdictions.

Changes to provincial and territorial regulatory frameworks could result in, among other things, increased compliance costs and increased supply costs, in one or more jurisdictions. Municipal and regional governments may also choose to impose additional requirements and regulations on the sale of adult use cannabis, adding further uncertainty and risk to the Company's cannabis retail model. Municipal by-laws may restrict the number of adult use cannabis retail outlets that are permitted in a certain geographical area, or restrict the geographical locations wherein such retail outlets may be opened. There is no assurance that if and when all provincial, territorial, regional and municipal regulatory frameworks, that have not yet already been enacted, are released, that the Company will be able to navigate such regulatory frameworks or conduct its intended business thereunder.

Ontario

On September 8, 2017, the Government of Ontario announced its proposed plan to give the existing Liquor Control Board of Ontario the oversight of retail sales of adult use cannabis in Ontario, upon the legalization of adult use cannabis in Canada. On December 12, 2017, the Ontario government passed the *Cannabis Act, 2017* (Ontario), to regulate the lawful use, sale and distribution of adult use cannabis by October 17, 2018.

On August 31, 2018, the Government of Ontario changed course on its original plans by announcing a hybrid system to allow adult use cannabis to be sold in private retail stores while the province administers online sales. On September 27, 2018, the Government of Ontario introduced Bill 36 to amend the *Cannabis Act, 2017*, including a name change to the *Cannabis Control Act, 2017* and to introduce the *Cannabis Licence Act, 2018*. Related amendments to other acts were also included, including the *Ontario Cannabis Retail Corporation Act, 2017*, the *Liquor Control Act, Smoke-Free Ontario Act, 2017* and the *Highway Traffic Act*.

On November 14, 2018, the Government of Ontario released the *General Regulation* under the *Cannabis Licence Act, 2018*. The *General Regulation* provides a licensing and regulatory regime for privately-owned and operated cannabis retail stores in Ontario, however, until April 1, 2019, adult use purchases may only be completed online through the OCS website operated by the AGCO.

On December 13, 2018, the Government of Ontario announced that, given the shortage of legal cannabis supply from Federal Licence Holders, the government will allow private cannabis retail stores to open in phases, by providing authority for the AGCO to licence up to 25 stores in the initial phase. Pursuant to the *General Regulation*, the AGCO, under the supervision of a third-party fairness monitor, implemented a lottery system to determine eligibility for the initial retail licences in Ontario. Interested parties were permitted to submit an expression of interest form online to the AGCO from January 7 to January 9, 2019. Expressions of interest were put into a lottery pool for a draw. The AGCO conducted a draw on January 11, 2019, with the results posted on the AGCO's website thereafter.

According to the Government of Ontario, the AGCO Expression of Interest Lottery covers a period of time from January 2, 2019, when the Expression of Interest Lottery Rules were published, to December 13, 2019, when the General Regulation will be amended. This period of time is referred to as the "Lottery Process" and is the timeframe established by the government for the temporary cap of 25 retail store authorizations while cannabis supply stabilizes.

The OCS is currently the only legal retailer of adult use cannabis in the province and will remain the only legal online provider of adult use cannabis under the new framework. The OCS will also be the exclusive wholesaler of cannabis to private retail stores. All municipalities within the province were provided with a one-time option to opt out to restrict licensing to retail stores in their municipality by January 22, 2019.

Manitoba

On December 5, 2017, the Government of Manitoba introduced its framework for recreational cannabis sales in the province. The retail sale of adult use cannabis in the Province of Manitoba is regulated by *The Liquor, Gaming and Cannabis Control Act* and the *Cannabis Regulation*. *The Liquor, Gaming and Cannabis Control Act* and the *Cannabis Regulation* allow retail distribution of cannabis in Manitoba through privately owned storefronts and e-commerce sites. The *Cannabis Regulation* regulates licensing of adult use cannabis storefronts. All cannabis sold in Manitoba retail stores must be purchased from the MBLL, which sources product from Federal Licence Holders. Provincial regulation of wholesaling, distribution and retail in Manitoba is controlled through the MLGA.

Alberta

On November 30, 2017, the Government of Alberta passed Bill 26, *An Act to Control and Regulate Cannabis* (“**Bill 26**”), which contained the regulatory framework for adult use cannabis sales in Alberta. Bill 26 amended the *Gaming and Liquor Act* (Alberta) (renamed the *Gaming, Liquor and Cannabis Act*) (the “**Alberta Cannabis Act**”) upon the proclamation of Bill 26, to govern the purchase, distribution, sale and consumption of recreational cannabis in the Province of Alberta.

Under the Alberta Cannabis Act, cannabis distribution in Alberta will be carried out through a hybrid retail model under the oversight of the AGLC. The cannabis distribution framework in the Alberta Cannabis Act provides that private retailers can own and operate licensed cannabis dispensaries, such as those operated by the Company, in Alberta, upon such private retailers obtaining a retail cannabis store licence from the AGLC. The Alberta Cannabis Act further states that online distribution of cannabis will initially be restricted to the Alberta Government.

On February 16, 2018, the Government of Alberta released amendments to the *Gaming and Liquor Regulation* (Alberta) establishing regulations (the “**Alberta Regulations**”) for the sale of recreational cannabis in Alberta, including the licensing of privately owned retail cannabis stores. The Alberta Regulations stipulate, among other restrictions, that:

- no one licensee can control more than 15% of the retail cannabis store licences issued in Alberta and no group of licensees can control more than 15% of the retail cannabis store licences in Alberta where, in the opinion of the AGLC, the retail cannabis store licences are or would likely be subject to common control in any material respect;
- cannabis retailers are required to hire individuals that are over eighteen years of age, have successfully completed training requirements set by the AGLC, and that have passed a criminal background check;
- cannabis retail stores cannot be located within 100 meters of a provincial health care facility or a school;
- cannabis retail stores cannot be open outside the hours of 10 a.m. and 2 a.m.;
- cannabis retail stores must implement inventory tracking, count and sales systems and security measures, including alarms, video surveillance and secured product storage;
- cannabis consumption at retail cannabis stores is prohibited;
- cannabis suppliers and their representatives cannot offer, nor can retail cannabis licensees accept, perks such as loans, money, rebates, concessions, discounts, furnishings, storage equipment, fixtures, decorations, signs, supplies or anything of value; and
- transfers of retail cannabis store licences are prohibited, and any change in ownership of a retail cannabis store business must be preapproved by the AGLC.

As a result of the national cannabis supply shortage, on November 23, 2018, the AGLC announced its decision to temporarily suspend accepting applications and issuing any additional cannabis retail licences until further notice.

As the reliability of Alberta's cannabis supply began to improve following the implementation of the AGLC's retail cannabis licensing moratorium, the AGLC temporarily lifted the moratorium to issue 10 additional retail licences in January 2019 and an additional 26 retail licences in April 2019.

On May 30, 2019, the AGLC lifted the moratorium on accepting new retail cannabis licence applications and issuing new retail cannabis licences. The AGLC expects to issue five retail cannabis licences each week to a queue of approved retailers on a first-in, first-out basis (subject to restrictions preventing any one licensee from controlling more than 15% of the retail cannabis store licences issued in Alberta) to ensure an equitable process for the allocation of licences.

British Columbia

British Columbia has a hybrid retail and distribution model that would allow private retail distribution of cannabis through storefronts, with public distribution of cannabis through an online platform and storefronts. The *Cannabis Control and Licensing Act* and the *Cannabis Licensing Regulation* regulate private storefronts. The *Cannabis Control and Licensing Act* includes provisions to limit relationships between federal producers and licensed retailers by preventing licensing of entities that in the opinion of the LCRB are likely to favour the products one federal producer to the exclusion of another, or who is likely to promote sale of the federal producer's products because of a connection to the federal producer. These provisions have no history of enforcement and it is unclear how the LCRB will make a subjective determination about connections between federal producers and licensed retailers.

On April 26, 2018, the Government of British Columbia introduced Bill C-30, the *Cannabis Control and Licensing Act* and Bill C-31, the *Cannabis Distribution Act*, which along with the *Cannabis Licensing Regulation* provide the legal framework for adult use cannabis sales in British Columbia. The *Cannabis Control and Licensing Act* and the *Cannabis Licensing Regulation*, among other things:

- establish rules governing cannabis retail stores similar in some respects to rules currently in place for liquor retail stores;
- allow public and private retailers to have similar operating rules;
- prohibit co-location of cannabis retail stores with any other businesses, such as liquor stores or pharmacies.
- set the minimum age to purchase, sell or consume adult use cannabis in British Columbia as 19;
- stipulate that adults will be allowed to possess up to 30 grams of cannabis in a public space;
- prohibit the use of cannabis on school properties and in vehicles;
- prohibit promotion of cannabis without a licence to promote cannabis; and
- authorize adults to grow up to four cannabis plants per household, other than in properties that are used as day-cares, and requires that such plants not be visible from public spaces off the property.

The *Cannabis Control and Licensing Act* was passed on May 17, 2018 and subsequently received royal assent on May 31, 2018. The *Cannabis Control and Licensing Act* came into effect alongside the *Cannabis Licensing Regulation* on October 17, 2018. The *Cannabis Licensing Regulation* limits the total number of licences per retailer to eight.

Saskatchewan

On January 8, 2018, the Government of Saskatchewan released details of the provinces proposed distribution framework whereby the SLGA would initially licence approximately 60 private cannabis retail applicants in 40 Saskatchewan municipalities and First Nation communities. The *Cannabis Control (Saskatchewan) Act* and *The Cannabis Control (Saskatchewan) Regulations* allow private cannabis retailers to sell cannabis, cannabis accessories and ancillary items in standalone storefront operations and deliver province-wide. In addition to private cannabis retail shops, *The Cannabis Control (Saskatchewan) Act* and *The Cannabis Control (Saskatchewan) Regulations* allow private sector to provide cannabis at the wholesale level, meaning the private sector will be permitted to source cannabis products from Federal Licence Holders and sell to private retailers, such as those operated by the Company.

On March 14, 2018, the Government of Saskatchewan released its framework for cannabis legalization, provided details regarding its plan for the distribution, sale and use of cannabis in Saskatchewan, and began a lottery selection process for the 51 retail cannabis permits available in the Province of Saskatchewan. There has been no firm guidance as to when new retail applications will be accepted. Saskatchewan permits the sale of an existing business which holds a permit for the sale of cannabis; however, the purchaser must apply and qualify for a permit before the transfer may take place.

USE OF PROCEEDS

Unless otherwise indicated in the applicable Prospectus Supplement relating to a specific offering and sale of Securities, the net proceeds from the sale of Securities will be added to the Company's general funds for general corporate purposes, including funding ongoing operations and/or working capital requirements, to repay indebtedness outstanding from time to time, capital projects and potential future acquisitions, including in relation to expanding the number of cannabis retail locations it operates. See "*Description of the Business – Retail Cannabis Stores*" in the AIF. Specific information about the use of proceeds will be described in the applicable Prospectus Supplement.

The Company will not receive any proceeds from any sales of Securities by any selling securityholders pursuant to a secondary offering.

Management of the Company will retain broad discretion in allocating the net proceeds of any offering of Securities under this Prospectus and the Company's actual use of the net proceeds will vary depending on the availability and suitability of investment opportunities and its operating and capital needs from time to time. All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents as the case may be, will be paid out of the proceeds from the sale of such Securities, unless otherwise stated in the applicable Prospectus Supplement. See "*Risk Factors - Use of Proceeds*". The Company may, from time to time, issue securities (including Securities) other than pursuant to this Prospectus.

The Company had negative cash flow from operating activities for the nine months ended May 31, 2019. As at May 31, 2019, the Company had total current assets of \$22,269,331, negative cash flow from operating activities of \$21,099,343, total current liabilities of \$23,175,308 and working capital deficit of \$905,979. The Company's estimated working capital deficit as of June 30, 2019 was \$1,701,025.

The Company's working capital deficit results, in part, from the portion of the NewLeaf Consideration yet to be released from escrow in accordance with the terms of the Option Amending Agreement. As detailed further in the Interim Financial Statements, the Company has recorded such NewLeaf Consideration as a contingent consideration liability of \$10,702,874. In accordance with the terms of the Option Amending Agreement, \$8,108,854 of this contingent consideration liability is payable in Common Shares to the former NewLeaf shareholders with \$2,594,020 of such liability being payable in cash.

Subject to the repayment or conditional extension of the December OCN Loan to August 1, 2020, the Company expects that its current cash position would be sufficient to fund its current operations for a minimum of 12 months from August 1, 2019. The Company anticipates that it will have positive cash flow from operating activities by the end of 2019, however, in order to achieve the Company's plans to have 40 operating stores by the end of calendar 2019, additional funding will be required to fund the capital expenditure buildout costs and start-up inventory costs for all planned expansion retail locations. The Company's expansion plans are subject to additional financing, appropriate lease arrangements for each potential cannabis retail location and required approvals from the applicable regulatory authorities in each of the Provinces in which the Company plans to open cannabis retail locations. As well, certain regulatory authorities in the provinces in which the Company plans to open cannabis retail locations have limited the number of retail cannabis licences available for issuance which may prohibit the Company from achieving its expansion goals. If the Company is not able to obtain adequate financing, enter into appropriate lease arrangements or obtain applicable regulatory approvals to meet its expansion goals, it will scale back its expansion plans accordingly. There can be no assurance that additional debt or equity financing will be available to meet the Company's requirements or, if available, on favorable terms, and there can be no assurance that the Company will be able to enter into appropriate lease arrangements or receive the applicable regulatory approvals to meet its expansion goals at this time.

Although the Company anticipates it will have positive cash flow from operating activities in future periods, it cannot guarantee it will have a cash flow positive status from operating activities in future periods. As a result, the Company continues to rely on the issuance of securities or other sources of financing to generate sufficient funds to fund its working capital requirements and for corporate expenditures. The Company may continue to have negative cash flow from operating activities until sufficient levels of sales are achieved. To the extent that the Company has negative cash flow from operating activities in future periods, the Company may need to use a portion of proceeds from any offering to fund such negative cash flow. See “*Risk Factors – Liquidity Risk and Negative Cash Flow*”.

CONSOLIDATED CAPITALIZATION

There have been no material changes in the share and loan capital of the Company, on a consolidated basis, since May 31, 2019, other than:

- Subsequent to May 31, 2019, NAC delivered 1,133,687 Common Shares on the exercise of: (i) 1,000,000 options under the Company’s stock option plan; and (ii) 133,687 warrants, resulting in cash proceeds to the Company of \$183,421.75.
- On July 15, 2019, the Company entered into a conditional share purchase agreement to acquire 19.9% of STC. Pursuant to the share purchase agreement, the Company will acquire 199,000 common shares in the capital of STC, being 19.9% of the issued and outstanding shares in the capital of STC, in exchange for \$200,000, payable by the issuance of Common Shares at a price of \$0.53 per share. The STC shares and Common Shares payable as consideration therefore are to be held in escrow until such time that STC acquires a retail cannabis store licence from the LCRB and the LCRB has approved the transfer of the purchased shares to NAC.
- On July 23, 2019, the Company entered into a letter agreement with the OCN pursuant to which the OCN agreed to extend the maturity of the December OCN Loan to August 1, 2020, subject to certain conditions precedent. Under the terms of the letter agreement, if the Company elects to extend the term of the December OCN Loan to a maturity date of August 1, 2020, the interest rate of the December OCN Loan shall increase to 12% per annum and the Company shall be obligated to deliver 1,000,000 Common Share purchase warrants registered in the name of the OCN. Such warrants shall be exercisable for a term of 36 months at an exercise price equal to the closing price of the Common Shares on the TSXV on the date prior to the issuance of such warrants.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of Common Shares and Preferred Shares. As of the date hereof, there were 188,901,941 Common Shares issued and outstanding. No Preferred Shares are issued and outstanding.

Each Common Share carries the right to attend and vote at all general meetings of shareholders. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the board of directors at its discretion from funds legally available for the payment of dividends and upon the liquidation, dissolution, or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions, and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption, or conversion rights, nor do they contain any sinking or purchase fund provisions.

DESCRIPTION OF SECURITIES

The following is a brief summary of certain general terms and provisions of the Securities as at the date of this Prospectus. The summary does not purport to be complete and is indicative only. The specific terms of any Securities to be offered under this Prospectus, and the extent to which the general terms described in this Prospectus apply to such Securities, will be set forth in the applicable Prospectus Supplement. Moreover, a Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are

not within the terms and parameters described in this Prospectus. The Securities will not include any novel derivatives or asset-backed securities as discussed under Part 4 of National Instrument 44-102 - *Shelf Distributions*.

Common Shares

Each Common Share carries the right to attend and vote at all general meetings of shareholders. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the board of directors at its discretion from funds legally available for the payment of dividends and upon the liquidation, dissolution, or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions, and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption, or conversion rights, nor do they contain any sinking or purchase fund provisions.

Preferred Shares

The board of directors may from time to time issue Preferred Shares in one or more series, each series to consist of such number of shares as will before issuance thereof be fixed by the board of directors who will at the same time determine the designation, rights, privileges, restrictions and conditions attaching to that series of Preferred Shares. Subject to applicable corporate law, the Preferred Shares of each series shall be non-voting and not entitled to receive notice of any meeting of shareholders.

Warrants

Warrants may be offered separately or together with other Securities, as the case may be. Each series of Warrants may be issued under a separate warrant indenture or warrant agency agreement to be entered into between the Company and one or more banks or trust companies acting as Warrant agent or may be issued as stand-alone certificates. The applicable Prospectus Supplement will include details of the Warrant agreements, if any, governing the Warrants being offered. The Warrant agent, if any, will be expected to act solely as the agent of the Company and will not assume a relationship of agency with any holders of Warrant certificates or beneficial owners of Warrants. A copy of any warrant indenture or any warrant agency agreement relating to an offering of Warrants will be filed by the Company with the relevant securities regulatory authorities in Canada after it has been entered into by the Company.

Each applicable Prospectus Supplement will set forth the terms and other information with respect to the Warrants being offered thereby, which may include, without limitation, the following (where applicable):

- the designation of the Warrants;
- the aggregate number of Warrants offered and the offering price;
- the designation, number and terms of the other Securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- the exercise price of the Warrants;
- the dates or periods during which the Warrants are exercisable including any “early termination” provisions;
- the designation, number and terms of any Securities with which the Warrants are issued;
- if the Warrants are issued as a unit with another Security, the date on and after which the Warrants and the other Security will be separately transferable;
- whether such Warrants are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- any minimum or maximum amount of Warrants that may be exercised at any one time;
- whether such Warrants will be listed on any securities exchange;

- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- certain material Canadian and United States tax consequences of owning the Warrants; and
- any other material terms and conditions of the Warrants.

Subscription Receipts

Subscription Receipts may be offered separately or together with other Securities, as the case may be. The Subscription Receipts may be issued under a subscription receipt agreement. The applicable Prospectus Supplement will include details of the subscription receipt agreement, if any, governing the Subscription Receipts being offered. The Company will file a copy of any subscription receipt agreement, if any, relating to an offering of Subscription Receipts with the relevant securities regulatory authorities in Canada after it has been entered into by the Company.

Each applicable Prospectus Supplement will set forth the terms and other information with respect to the Subscription Receipts being offered thereby, which may include, without limitation, the following (where applicable):

- the aggregate number of Subscription Receipts offered;
- the price at which the Subscription Receipts will be offered;
- the terms, conditions and procedures for the conversion of the Subscription Receipts into other Securities;
- the dates or periods during which the Subscription Receipts are convertible into other Securities;
- the designation, number and terms of the other Securities that may be exchanged upon conversion of each Subscription Receipt;
- the designation, number and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- whether such Subscription Receipts are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- terms applicable to the gross or net proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- certain material Canadian and United States tax consequences of owning the Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts.

Units

Units may be offered separately or together with other Securities, as the case may be. Each applicable Prospectus Supplement will set forth the terms and other information with respect to the Units being offered thereby, which may include, without limitation, the following (where applicable):

- the aggregate number of Units offered;
- the price at which the Units will be offered;
- the designation, number and terms of the Securities comprising the Units;
- whether the Units will be issued with any other Securities and, if so, the amount and terms of these Securities;
- terms applicable to the gross or net proceeds from the sale of the Units plus any interest earned thereon;
- the date on and after which the Securities comprising the Units will be separately transferable;

- whether the Securities comprising the Units will be listed on any securities exchange;
- whether such Units or the Securities comprising the Units are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Units;
- certain material Canadian and United States tax consequences of owning the Units; and
- any other material terms and conditions of the Units.

Debt Securities

Debt Securities may be offered separately or together with other Securities, as the case may be. Debt Securities may be issued under one or more indentures or such other debt agreement as described in the Prospectus Supplement. The applicable Prospectus Supplement will include details of the Debt Securities agreements, if any, governing the Debt Securities being offered. A copy of any indenture or any agreement relating to an offering of Debt Securities will be filed by the Company with the relevant securities regulatory authorities in Canada after it has been entered into by the Company.

Each applicable Prospectus Supplement will set forth the terms and other information with respect to the Debt Securities being offered thereby, which may include, without limitation, the following (where applicable):

- the designation, aggregate principal amount and authorized denominations of the Debt Securities;
- any limit upon the aggregate principal amount of the Debt Securities;
- the currency for which the Debt Securities may be purchased and in which the principal and any premium or interest is payable (in either case, if other than Canadian dollars);
- the offering price of the Debt Securities and percentage of the principal amount at which they will be issued;
- the date(s) on which the Debt Securities will be issued and delivered;
- the date(s) on which the Debt Securities will mature, including any provision for the extension of a maturity date, or the method of determining such date(s);
- the rate(s) per annum (either fixed or floating) at which the Debt Securities will bear interest (if any) and, if floating, the method of determining such rate(s);
- the date(s) from which any interest obligation will accrue and on which interest will be payable, and the record date(s) for the payment of interest or the method of determining such date(s);
- any guarantees given in respect of the Debt Securities;
- whether or not the Debt Securities will be secured or unsecured, and the terms of any secured debt including a general description of the collateral and of the material terms of any related security, pledge or other agreement;
- the ranking of the Debt Securities and if applicable, their subordination to other indebtedness of the Company;
- any redemption terms, or terms under which the Debt Securities may be defeased prior to maturity;
- any repayment or sinking fund provisions;
- events of default and covenants in respect of the Debt Securities; and
- whether the Debt Securities may be converted or exchanged for other securities of the Company.

THE SELLING SECURITYHOLDERS

Securities may be sold under this Prospectus by way of secondary offering by or for the account of certain of our securityholders. The Prospectus Supplement that we will file in connection with any offering of Securities by selling securityholders will include the following information:

- the names of the selling securityholders;
- the number or amount of Securities owned, controlled or directed by each selling securityholder;
- the number or amount of Securities being distributed for the account of each selling securityholder;
- the number or amount of Securities to be owned by the selling securityholders after the distribution and the percentage that number or amount represents of the total number of our outstanding Securities;
- whether the Securities are owned by the selling securityholders both of record and beneficially, of record only, or beneficially only;
- the Prospectus Supplement will contain, if applicable, the disclosure required by Item 1.11 of Form 44-101F1 *Short Form Prospectus*, and, if applicable, the selling securityholders will file a non-issuer's submission to jurisdiction form with the corresponding Prospectus Supplement.; and
- all other information that is required to be included in the applicable Prospectus Supplement.

CERTAIN INCOME TAX CONSIDERATIONS

Owning any of the Securities may subject investors to tax consequences in Canada. Although the applicable Prospectus Supplement will describe certain Canadian federal income tax consequences of the acquisition, ownership and disposition of any Securities offered under this Prospectus by an initial investor, the Prospectus Supplement may not describe these tax consequences fully or with respect to a particular investor. Investors are advised to consult their own tax advisor with respect to their particular circumstances.

PLAN OF DISTRIBUTION

The Company may from time to time during the 25-month period that this Prospectus, including any amendments hereto, remains valid, offer for sale and issue up to an aggregate of \$200,000,000 in Securities hereunder.

The Company may offer and sell the Securities to or through underwriters or dealers purchasing as principals, and may also sell directly to one or more purchasers or through agents or pursuant to applicable statutory exemptions. The Securities offered by the Company may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Company or one of its subsidiaries. The consideration for any such acquisition may consist of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and assumption of liabilities.

This Prospectus may also, from time to time, relate to the offering of Securities by certain selling securityholders. The selling securityholders may sell all or a portion of Securities beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If Securities are sold through underwriters or broker-dealers, the selling securityholders will be responsible for underwriting discounts or commissions or agent's commissions. The selling securityholders and any other person participating in such distribution will be subject to applicable provisions of Canadian securities legislation, which may limit the timing of purchases and sales of Securities by the selling securityholders and any other participating person.

The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged by the Company and/or the selling securityholders in connection with the offering and sale of the Securities, and will set forth the terms of the offering of such Securities, including, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents in connection with the offering, the method of distribution of the Securities, the initial issue price, the proceeds that the Company and/or the selling securityholders will receive and any other material terms of the plan of distribution. Any initial

offering price and discounts, concessions or commissions allowed or re-allowed or paid to dealers may be changed from time to time.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing prices or at negotiated prices, including sales in transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 - *Shelf Distributions* of the Canadian Securities Administrators, including sales made directly on the TSXV, or other existing trading markets for the Common Shares. Any such transactions that are deemed “at-the-market-distributions” will be subject to regulatory approval. No underwriter, dealer or agent, no affiliate of such an underwriter, dealer or agent and no person acting jointly or in concert with such an underwriter, dealer or agent involved in an “at-the-market distribution” will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution.

In connection with the sale of the Securities, underwriters, dealers or agents may receive compensation from the Company, the selling securityholders and/or from other parties, including in the form of underwriters’, dealers’ or agents’ fees, commissions or concessions. Underwriters, dealers and agents that participate in the distribution of the Securities may be deemed to be underwriters for the purposes of applicable Canadian securities legislation and any such compensation received by them from the Company and/or the selling securityholders and any profit on the resale of the Securities by them may be deemed to be underwriting commissions. In connection with any offering of Securities, except as otherwise set out in a Prospectus Supplement relating to a particular offering of Securities and other than in relation to an “at-the-market” distribution, the underwriters, dealers or agents, as the case may be, may over-allot or effect transactions intended to fix, stabilize, maintain or otherwise affect the market price of the Securities at a level other than those which otherwise might prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time.

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

Unless otherwise specified in the applicable Prospectus Supplement, each series or issue of Securities (other than Common Shares) will be a new issue of Securities with no established trading market. Accordingly, there is currently no market through which the Securities (other than Common Shares) may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus and the applicable Prospectus Supplement. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. See “*Risk Factors*”.

Unless otherwise specified in a Prospectus Supplement, the Securities will not be registered under the U.S. Securities Act or the securities legislation of any states in the United States and, subject to certain exceptions, may not be offered or sold or otherwise transferred or disposed of in the United States or to or for the account of U.S. persons absent registration or pursuant to an applicable exemption from the U.S. Securities Act and applicable state securities legislation. In addition, until 40 days after closing of an offering of Securities, an offer or sale of the Securities within the United States by any dealer (whether or not participating in such offering) may violate the registration requirement of the U.S. Securities Act if such offer or sale is made other than in accordance with Rule 144A or another exemption under the U.S. Securities Act.

PRIOR SALES

Information in respect of prior sales of the Common Shares or other Securities distributed under this Prospectus and for securities that are convertible or exchangeable into the Common Shares or such other Securities within the previous 12-month period will be provided, as required, in a Prospectus Supplement with respect to the issuance of the Common Shares or other Securities pursuant to such Prospectus Supplement.

MARKET FOR SECURITIES

The outstanding Common Shares are listed for trading on the TSXV under the trading symbol “META”. The following tables set forth reported intraday high and low prices and monthly trading volumes of the Common Shares for the period from June 1, 2018 to July 31, 2019, as quoted on the TSXV:

Month	TSXV Price Range (\$)		Total Volume
	High	Low	
June 2018	\$0.97	\$0.67	9,879,000
July 2018	\$1.30	\$0.99	21,005,800
August 2018	\$1.17	\$0.99	12,873,900
September 2018	\$1.08	\$0.90	11,164,100
October 2018	\$0.95	\$0.70	10,293,000
November 2018	\$0.82	\$0.56	4,491,900
December 2018	\$0.90	\$0.44	5,361,400
January 2019	\$0.76	\$0.54	7,514,500
February 2019	\$0.75	\$0.61	8,039,200
March 2019	\$0.87	\$0.66	14,620,800
April 2019	\$0.83	\$0.60	25,007,800
May 2019	\$0.75	\$0.61	5,549,400
June 2019	\$0.75	\$0.52	10,126,600
July 2019	\$0.64	\$0.47	5,791,200

The Convertible Debentures are listed for trading on the TSXV under the trading symbol “META.DB”. The following table sets forth the reported intraday high and low prices and trading volumes of the Convertible Debentures for the period between their initial listing on January 14, 2019 and July 31, 2019, as quoted on the TSXV:

Month	TSXV Price Range (\$)		Total Volume
	High	Low	
January 2019	N/A	N/A	0.00
February 2019	N/A	N/A	0.00
March 2019	N/A	N/A	0.00
April 2019	N/A	N/A	0.00
May 2019	N/A	N/A	0.00
June 2019	N/A	N/A	0.00
July 2019	N/A	N/A	0.00

RISK FACTORS

Prospective investors in a particular offering of the Securities should carefully consider, in addition to information contained in the Prospectus Supplement relating to that offering and the information incorporated by reference herein for the purposes of the offering, the risk factors listed below and risks described in NAC’s then current annual information form, as well as NAC’s then current annual management’s discussion and analysis and interim management’s discussion and analysis, if applicable, to the extent incorporated by reference herein for the purposes of that particular offering of Securities.

Regulatory Risks

Successful execution of the Company’s business is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the operation of its business. The cannabis industry is a new industry and the Company cannot predict the impact of the changes to the compliance regime. Similarly, the Company cannot predict the time required to secure all appropriate regulatory approvals for its business, or the extent of documentation that may be required by governmental authorities. The impact of cannabis regulatory compliance regime, any delays in obtaining, or failure to obtain regulatory approvals

may significantly delay or impact the development of markets, products, and sales initiatives and could have a material adverse effect on the business, financial condition, and operating results of the Company.

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties, or in restrictions on the Company's operations. In addition, changes in regulations, more vigorous enforcement thereof, or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs, or give rise to material liabilities, which could have a material adverse effect on the business, financial condition, and operating results of the Company.

Government Regulations, Permits and Licences

The Company's operations are subject to governmental laws or regulations promulgated by various legislatures or governmental agencies from time to time. A breach of such legislation may result in imposition of fines and penalties. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all governmental laws and regulations. There can be no assurance, however, that all permits which the Company may require for its operations and activities will be obtainable on reasonable terms or on a timely basis or such laws and regulations would not have an adverse effect on the Company's business.

Legislative or Regulatory Reform and Compliance

The cannabis industry is a new industry and the Company anticipates that associated regulations will be subject to change. The Company's current or future operations are and will be subject to a variety of laws, regulations, guidelines, and policies relating to the management, labelling, advertising, sale, storage, and disposal of cannabis, as well as laws and regulations relating to the health care industry, drugs, controlled substances, health and safety, labour standards, the conduct of operations, and the protection of the environment. While to the knowledge of management, the Company is currently in compliance with all such laws, any changes to such laws, regulations, guidelines, and policies due to matters beyond the control of the Company may cause adverse effects to its operations.

Regulatory or Agency Proceedings, Investigations, and Audits

The Company's business requires compliance with many laws and regulations. Failure to comply with these laws and regulations could subject the Company to regulatory or agency proceedings or investigations and could also lead to damage awards, fines and penalties. The Company may become involved in a number of government or agency proceedings, investigations, and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Company's reputation, require the Company to take, or refrain from taking, actions that could harm its operations or require the Company to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations, and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Company's business, financial condition, and results of operation.

Provincial Legislation for Licencing and Retailing of Cannabis Varies

Successful execution of the Company's strategy is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities, and obtaining all regulatory approvals, where necessary, for the sale of cannabis products expected to be distributed by the Company.

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's proposed operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's proposed operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the proposed business, financial condition and operating results of the Company.

Political and Regulatory Instability

The Company's operations will be subject to various anticipated laws, regulations and guidelines relating to the manufacture, management, packaging/labelling, advertising, sale, transportation, storage and disposal of cannabis but also including laws and regulations relating to drugs, controlled substances, health and safety, the conduct of operations and the protection of the environment. While the Company intends to comply with all such laws, changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects to its operations. The Company may also incur significant costs in complying with such changes or it may be unable to comply therewith, which in turn may result in a material adverse effect on the Company's proposed business, financial condition and results of operation. Moreover, the legalization of recreational cannabis in Canada has been politically driven by the Federal Liberal Government, and there is no assurance that other political parties, if elected to government, will not reverse the steps taken by the Liberal Government towards legalization of recreational cannabis or impose more stringent and prohibitive regulatory frameworks. Such actions could have a material adverse effect on the business or financial condition of the Company, or the viability of its business model. Furthermore, future changes in provincial or municipal governments may also result in similar unfavourable changes to laws, regulations and guidelines pertaining to recreational cannabis.

Plans for Growth

The Company plans to grow rapidly and significantly expand its operation. Future growth will place additional demands on the Company's financial, managerial, and operations resources. If growth is not managed effectively it could have a material adverse effect on the Company's financial condition and results of operations. The Company may be required to manage multiple relationships with various strategic partners, advertisers, and other third parties. These requirements may be strained in the event of rapid growth, or a large increase in the number of third party relationships the Company has, as its systems, procedures, or controls may not be adequate to support increased operations. The current lack of financial resources could put a strain on management systems and internal controls. In the event that the Company does obtain additional financing, and if the recent growth in revenue continues, additional personnel and other resources may be required that could put further strain on such management and control. There can be no assurances that the Company will be able to effectively deal with such growth. A failure of management systems or internal controls could have a material adverse effect on the Company, its business, operating results, and financial condition.

Securing Adequate Financing to Fund Operations and Meet Expected Consumer Demand

There is no guarantee that the Company will be able to achieve its business objectives. Depending on its ability to achieve its goals, the Company may need to raise further equity and/or debt financing to fund the completion of its expansion plans, including the build-out of new recreational cannabis stores, and the expansion of its client base. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company ceasing to carry on business. The success and the pricing of any such equity and/or debt financing will be dependent upon the prevailing market conditions at that time. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If additional capital is raised by an issue of securities, this may have the effect of diluting shareholders' interests in the Company. 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 Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may also contain provisions which, if breached, may entitle lenders or their Agents to accelerate repayment of loans and/or realize upon security over the assets of the Company, and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing.

If the Company requires additional capital and is unable to obtain it, there may be a possibility that it will not be able to complete the full deployment of its solutions and the full implementation of its business plan, which would have a materially adverse effect on its business, operating results and financial condition.

Liquidity Risk and Negative Cash Flow

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company reported negative cash flow from operating activities for the financial year ended August 31, 2018 and the Company has historically reported negative cash flow from operating activities for prior fiscal years. As a result of its negative cash flow, the Company continues to rely on the issuance of securities or other sources of financing to generate sufficient funds to fund its working capital requirements and for corporate expenditures. The Company may continue to have negative cash flow from operating activities until sufficient levels of sales are achieved. To the extent that the Company has negative cash flow from operating activities in future periods, the Company may need to use a portion of proceeds from any offering to fund such negative cash flow.

Market for Securities

There is currently no market through which the Securities (other than the Common Shares and the Convertible Debentures, although the Convertible Debentures are not actively trading) may be sold and purchasers may not be able to resell the Securities purchased under this Prospectus and unless otherwise specified in the Prospectus Supplement, the Preferred Shares, Warrants, Subscription Receipts, Units and Debt Securities will not be listed on any securities or stock exchange or any automated dealer quotation systems. This may affect the pricing of the Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. There can be no assurance that an active trading market of the Securities, other than the Common Shares, will develop or, if developed, that any such market will be sustained.

A positive return in an investment in the Securities is not guaranteed

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

Risks Related to Dilutions

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

Market Price of Securities

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors included macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Securities is also likely to be affected by the Company's financial condition or results of operations as reflected in its financial statements. Other factors unrelated to the performance of the Company that may have an effect on the price of the Securities include, but are not limited to, the following: the extent of analytical coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Company's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Securities at any given point in time may not accurately reflect the long-term value of the Company. Class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Securities or Industry Research and Reports

The trading market for the Common Shares could be influenced by the research and reports that industry or securities analysts publish about the Company. If one or more of these analysts cease coverage or fail to regularly publish reports, the Company could lose visibility in the financial markets, which in turn could cause the trading price or volume of its shares to decline. Moreover, if one or more of the analysts downgrade the Company or its shares or if the Company's operating results do not meet their expectations, the trading price of the Common Shares could decline.

Use of Proceeds

Management will have broad discretion in the application of the net proceeds from any offering pursuant to this Prospectus and could spend the proceeds in ways that do not improve the Company's results of operations or enhance the value of the Common Shares. The failure by management to apply these funds effectively could result in financial losses that could have a material adverse effect on the Company's business, cause the price of the Company's securities to decline and delay the development of the Company's business. The Company may invest the net proceeds from any offering pursuant to this Prospectus in a manner that does not produce income or that loses value.

Risks of Retail Store Operations

Growth of the Company's retail network depends, among other things, on the Company's ability to secure desirable locations on terms acceptable to the Company. The Company faces competition for retail locations from its competitors and from operators of other businesses. The success of many retail locations is significantly influenced by location. There can be no assurance that the Company's retail locations will continue to be attractive, or that additional retail storefronts can be located and secured as demographic and traffic patterns change. Also, there is no guarantee that the property leases in respect of prospective retail locations can be established on terms acceptable to the Company, or at all, and that property leases in respect of existing retail locations will be renewed or that suitable alternative locations can be obtained. It is possible that the locations or economic conditions where retail locations are located could decline in the future, resulting in reduced sales in those locations. There is no assurance that future sites will produce the same results as past sites.

Cannabis Supply Shortage

As a result of the national cannabis supply shortage, on November 23, 2018, the AGLC in Alberta announced its decision to temporarily suspend accepting applications and issuing any additional cannabis retail licences until further notice. As the reliability of Alberta's cannabis supply began to improve following the implementation of the AGLC's retail cannabis licensing moratorium, the AGLC temporarily lifted the moratorium to issue 10 additional retail licences in January 2019 and an additional 26 retail licences in April 2019. On May 30, 2019, the AGLC lifted the moratorium on accepting new retail cannabis licence applications and issuing new retail cannabis licences. The AGLC expects to issue five retail cannabis licences each week to a queue of approved retailers on a first-in, first-out basis to ensure an equitable process for the allocation of licences.

Supply shortages may significantly impact the Company's licenced retail cannabis locations ability to procure sufficient cannabis product. Prolonged shortages may significantly impact revenues and operating margins.

Competition

There is potential that the Company will face intense competition from numerous independent dispensaries, some of which can be expected to have greater financial resources, market access 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. Because of the preliminary stage of the recreational cannabis market in which the Company operates, the Company expects to face additional competition from new entrants. To remain competitive, the Company will require a continued high level of investment in location expansions, design, marketing and sales. The Company may not have sufficient resources to maintain location expansions, design, marketing and sales efforts on a competitive basis, which could materially and adversely affect the business, financial condition and operating results of the Company.

Dependence on Corporate Culture

The Company believes that a critical component of its success is its corporate culture, which the Company believes fosters innovation, encourages teamwork, cultivates creativity and promotes focus on execution. The Company has invested substantial time, energy and resources in building a highly collaborative team that works together effectively in an environment designed to promote openness, honesty, mutual respect and pursuit of common goals. As the Company continues to develop the infrastructure of a public company and grow, it may find it difficult to maintain these valuable aspects of its corporate culture. Any failure to preserve the Company's culture could negatively impact its future success, including its ability to attract and retain employees, encourage innovation and teamwork and effectively focus on and pursue its corporate objectives.

Constraints on Marketing

The development of the Company'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. If the Company is unable to effectively market and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed, the Company's operations could be adversely affected.

Customer Acquisition and Retention

The Company anticipates continued customer growth at current and future retail cannabis store locations. If securing such customers is not possible, the Company, its business, operating results, and financial condition could be materially and adversely affected.

Development Risks

Future development of the Company's business may not yield expected returns and may strain management resources. Development of the Company's revenue streams is subject to a number of risks, including construction delays, cost overruns, financing risks, cancellation of key service contracts and changes in government regulations. Overall costs may significantly exceed the costs that were estimated when the project was originally undertaken, which could result in reduced returns, or even losses, from such investments.

Dependence on Suppliers and Skilled Labour

The ability of the Company 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 Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. This could have an adverse effect on the financial results of the Company.

Risks Inherent in the Acquisition of Acquired Companies and Brands

As part of the Company's overall business strategy, the Company has and may continue to pursue select strategic acquisitions to acquire technologies, businesses, brands or assets that are complementary to its business and/or enter into strategic alliances in order to leverage its position in the cannabis industry. While the Company conducts substantial due diligence in connection with such acquisitions, and plans to continue to do so in the future, there are risks inherent in any acquisition. Specifically, there could be unknown or undisclosed risks or liabilities of such companies for which the Company is not sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Company's financial performance and results of operations. The Company could encounter additional transaction and integration related costs or other factors such as the failure to realize all of the benefits from the acquisitions. All of these factors could cause dilution to the Company's earnings per share or decrease or delay the anticipated accretive effect of the acquisition and cause a decrease in the market price of the Company's Common Shares.

Future acquisitions may expose the Company to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the

Company's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; or (e) the expenses of acquisitions.

The Success of the Strategic Alliance with Second Cup Depends on the Issuance of Retail Licences

The likelihood of success, and relative materiality, of the Company's strategic alliance with The Second Cup Ltd. ("Second Cup") depends on the issuance of retail licenses for premises currently occupied by Second Cup coffee franchises (each, a "SC Store"). If NAC is unable to obtain retail licences for SC Stores in Alberta and the other provinces that permit the retail sale of cannabis, it may have a material adverse effect on the success of the Company's strategic alliance with Second Cup, as well as the materiality of this relationship in respect of the Company's retail cannabis business.

Conversion of an SC Store Requires Franchisee and Landlord Approval

If NAC is successful in obtaining a retail licence for an SC Store, NAC and Second Cup will need to reach terms with the franchisee and head landlord of such SC Store prior to commencing conversion of the location to a retail cannabis store. If the Company is unable to reach an agreement with the franchisee and head landlord on the terms of converting an existing SC Store into a retail cannabis store, the conversion may not take place, which may affect the Company's ability to carry out its strategic alliance with respect to converting SC Stores into retail cannabis stores.

Integrating Acquired Companies and Brands

The success of the acquisition of acquired companies and brands will depend, in part, on the ability of the Company to realize the anticipated benefits and synergies from integrating those companies and brands into the businesses of the Company. The Company may not be able to successfully integrate and combine the operations, personnel and technology infrastructure of acquired companies with its existing operations. If integration is not managed successfully by the Company's management, the Company 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 the Company's business, financial condition and results of operations. The Company may experience difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration of acquired companies and brands may also impose substantial demands on the Company's management. There is no assurance that these acquisitions will be successfully integrated in a timely manner. The challenges involved in the Company's integration of acquired companies and brands may include, among other things, the following: (a) the necessity of coordinating both geographically disparate and geographically overlapping organizations; (b) retaining key personnel, including addressing the uncertainties of key employees regarding their future; (c) integrating acquired companies into the Company's accounting system and adjusting the Company's internal control environment to cover the operations of such acquired companies; (d) integration of information technology systems and resources; (e) performance shortfalls relative to expectations at one or both of the businesses as a result of the diversion of management's attention to the integration of such acquired companies; and (f) unplanned costs required to integrate acquired companies with the Company's existing business.

Brand Risks

The Company's success is reliant on, among other things, the value of the Company's brands, and the failure to preserve their value and relevance could have a negative impact on the Company's results of operations. To be successful in the future, the Company must preserve, enhance and leverage the value of the Company's brands. Brand value is based in part on consumer tastes, preferences and perceptions on a variety of factors. Consumer acceptance of the Company's brands may be influenced by or subject to change for a variety of reasons. For example, adverse publicity associated with the Company's business practices may drive popular opinion against the Company's brands. If the Company is unsuccessful in addressing any such adverse perceptions, the Company's brands and results of operations may suffer.

Management

The success of the Company is currently largely dependent on the performance of its executive management team. The loss of the services of these persons may have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its management or other qualified personnel

required to operate its business. Failure to do so could have a material adverse effect on the Company, its business, and its prospects.

Intellectual Property Risks

The Company may have certain proprietary intellectual property, including but not limited to brands, trademarks, trade names, patents and proprietary processes. The Company will rely on this intellectual property, know-how and other proprietary information, and require certain employees, consultants and suppliers to sign confidentiality agreements. However, these confidentiality agreements may be breached, and the Company may not have adequate remedies for such breaches. Third parties may independently develop substantially equivalent proprietary information without infringing upon any proprietary technology. Third parties may otherwise gain access to the Company's proprietary information and adopt it in a competitive manner. Any loss of intellectual property protection may have a material adverse effect on the Company's business, results of operations or prospects.

Reputational Damage to the Company

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish, and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regards to the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations, and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows, and growth prospects.

Insurance Coverage

While the Company will obtain insurance coverage that will address all material risks to which it may be exposed and are adequate and customary in its future operations, such insurance may be subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, there could be a material adverse effect on the Company's business, financial condition, and results of operation.

Uninsured or Uninsurable Risk

The Company may be subject to liability for risks against which it cannot insure or against which the Company 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 Company's normal business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

Global Economic, Political, and Social Conditions

The Company is subject to global economic, political and social conditions that may cause clients to delay or reduce cannabis consumption due to economic downturns, unemployment, and volatility in the costs of energy and other consumer goods, geopolitical uncertainties, and other macroeconomic factors affecting spending behavior.

The Company faces risks that may arise from financial difficulties experienced by suppliers, including:

- the risk that key suppliers may face financial difficulties or may become insolvent, which could lead to disruption of the supply of cannabis products; and

- the inability of suppliers to obtain credit financing to finance purchases of products and raw materials used to grow or build those products.

Should any of these risks occur, they could have a material adverse effect on the Company and its prospects

Unfavourable Publicity or Consumer Perception

Management of the Company believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception may 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 Company's business, results of operations, financial condition and cash flows. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company and the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Results of Future Research

Clinical trials, observational studies, and basic research in Canada, the U.S., and internationally regarding the medical benefits, viability, safety, efficacy, dosing, and social acceptance of cannabis or isolated cannabinoids (such as CBD and THC) remain in early stages. There have been relatively few clinical trials or observational studies on the benefits of cannabis or isolated cannabinoids. Although the Company believes that published articles, reports, and studies support the Company's beliefs regarding the medical benefits, viability, safety, efficacy, dosing, and social acceptance of cannabis, future clinical trials, observational studies, and basic research may prove such statements to be incorrect, or could raise concerns regarding cannabis and perceptions relating to cannabis. Given these risks, uncertainties and assumptions, investors and prospective investors should not place undue reliance on such articles, reports, and studies. Future research studies and clinical trials may draw opposing conclusions to those stated in the AIF or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance, or other facts and perceptions related to medical cannabis, which could have a material adverse effect on the Company's business, financial condition, and results of operations.

Complications with Research Data

The research data collected by the Company will be an integral part of NAC Bio Inc.'s business for the production of research based reports. If there are issues with the data's integrity or security, the data and research based reports could be considered ineffective or unreliable.

Risks Inherent in the Nature of the Health Clinic Industry

Changes in operating costs (including costs for maintenance and insurance), inability to obtain permits required to conduct the Company's medical cannabis business, changes in health care laws and governmental regulations and various other factors may significantly impact the ability of the Company to generate revenues from its medical cannabis business. Certain significant expenditures, including legal fees, borrowing costs, maintenance costs, insurance costs, and related charges must be made to conduct its medical cannabis business, regardless of whether the Company is generating revenue.

Risk Inherent in the Pharmacy Distribution of Cannabis

The long-term future viability of NAC's pharmacy program is dependent on pharmacies being able to dispense cannabis. NAC can still prosper with pharmacies through a virtual patient support program aligned with pharmacies

as a marketing channel, but the revenue and gross margin will be impacted. Whether pharmacies can dispense in the future will be dependent on changes to Health Canada policies and Provincial regulatory approval. It is unknown when these changes may occur in the future.

U.S. Border Officials Could Deny Entry into the U.S. to Employees of, or Investors in, Companies with Cannabis Operations in the United States and Canada

Since cannabis remains illegal under U.S. federal law, those employed at or investing in legal and licenced Canadian cannabis companies could face detention, denial of entry or lifetime bans from the U.S. for their business associations with cannabis businesses. Entry happens at the sole discretion of the U.S. Customs and Border Protection officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a foreign national. The Government of Canada has started warning travelers on its website that previous use of cannabis, or any substance prohibited by U.S. federal laws, could mean denial of entry to the U.S. In addition, business or financial involvement in the legal cannabis industry in Canada or in the United States could also be reason enough for U.S. border guards to deny entry. On September 21, 2018, U.S. Customs and Border Protection stated that Canada's legalization of cannabis will not change U.S. Customs and Border Protection enforcement of United States laws regarding controlled substances and because cannabis continues to be a controlled substance under United States law, working in or facilitating the proliferation of the legal marijuana industry in U.S. states where it is deemed legal or Canada may affect admissibility to the U.S. As described above, on October 9, 2018, U.S. Customs and Border Protection released an additional statement regarding the admissibility of Canadian citizens working in the legal cannabis industry. The U.S. Customs and Border Protection stated that a Canadian citizen working in or facilitating the proliferation of the legal cannabis industry in Canada coming into the U.S. for reasons unrelated to the cannabis industry will generally be admissible to the U.S.; however, if such person is found to be coming into the U.S. for reasons related to the cannabis industry, such person may be deemed inadmissible.

Dividends

The Company has not paid dividends on its shares since incorporation and does not anticipate paying any dividends on the Common Shares in the foreseeable future.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business, which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the value of the Common Shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources, including the time and attention of management and available working capital. Litigation may also create a negative perception of the Company's brand.

Potential Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in the industries in which the Company operates, and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company. Conflicts of interest may also arise in the event the Company, its clinics, pharmacies, Cannabinoid Therapy Educators, physicians or other staff are paid commissions received from a licenced producer or dispensary that is related to the Company or even as a result of commissions received from unrelated third parties. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws and the internal policies and procedures of the Company.

The Company has nineteen LP Contracts. See "*Summary Description of Business – Description of the Business of the Company – Potential Conflicts of Interest*" in the AIF. Certain of these LP Contracts are with shareholders of the Company, including those listed under "*Principal Shareholders*". The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company, directly or indirectly, for available investment and/or business opportunities. There is no assurance that such persons will act in a manner that is not adverse the Company in such cases.

In addition, although the Company has no current intention of becoming a licenced producer and has no current intention to apply for a licence to produce cannabis under the *Cannabis Act* (Canada), in the event the Company becomes a licenced producer, conflicts of interest may arise between the Company's current medical clinic business and its future licenced producer business. In the context of vertically-integrated companies in the cannabis sector where there may be material relationships or transactions that involve conflicts of interest, whether actual or perceived, the Company will disclose any commissions, incentives, or other fees earned by the Company, its clinics, physicians, or other consultants. The Company will also disclose risks associated with conflicts of interest, including but not limited to situations where the Company, its clinics, physicians, or other consultants are paid a commissions from a licenced producer or dispensary that is related to the Company.

Legal and Accounting Requirements

As a publicly-listed company, the Company is subject to numerous legal and accounting requirements that do not apply to private companies. The cost of compliance with many of these requirements is material. Failure to comply with these requirements can have numerous adverse consequences including, but not limited to, the Company's inability to file required periodic reports on a timely basis, loss of market confidence, delisting of its securities and/or governmental or private actions against the Company. There can be no assurance that the Company will be able to comply with all of these requirements or that the cost of such compliance will not prove to be a substantial competitive disadvantage vis-à-vis privately-held and larger public competitors.

Accounting Policies and Internal Controls

The Company prepares its financial reports in accordance with International Financial Reporting Standards. In preparation of its financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. Significant accounting policies are described in more detail in the Company's audited financial statements. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported, the Company has implemented and continues to analyze its internal control systems for financial reporting. Although the Company believes its financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, the Company cannot provide absolute assurance in this regard.

Limited Operating History

The Company has limited operating history, and is therefore subject to many of the risks common to early-stage enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Fraudulent or Illegal Activity by Employees, Contractors, and Consultants

The Company 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 Company that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete, and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company 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 Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Company'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 Company's operations, any of which could have a material adverse effect on the Company's business, financial condition, and results of operations.

Information Technology Systems and Cyber Attacks

The Company's operations will depend, in part, on how well it and its suppliers and service providers 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, destruction, fire, power loss, hacking, computer viruses, vandalism, and theft. The Company's operations will also depend on the timely maintenance, upgrades, 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 Company's reputation and results of operations.

There can be no assurance that the Company will not incur such losses in the future. The Company'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 Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Breaches of Applicable Privacy Laws

The Company will collect and store personal information about its clients and will be responsible for protecting that information from privacy breaches. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes, particularly client lists and preferences, is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such theft or privacy breach would have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, there are a number of federal and provincial laws protecting the confidentiality of certain patient health information, including patient records, and restricting the use and disclosure of that protected information. In particular, the privacy rules under the *Personal Information Protection and Electronic Documents Act* (Canada) ("**PIPEDA**") protect medical records and other personal health information by limiting their use and disclosure of health information to the minimum level reasonably necessary to accomplish the intended purpose. If the Company was found to be in violation of the privacy or security rules under the PIPEDA or other laws protecting the confidentiality of patient health information, it could be subject to sanctions and civil or criminal penalties, which could increase its liabilities, harm its reputation, and have a material adverse effect on the business, results of operations, and financial condition of the Company.

Forecast Uncertainties

The Company will need to rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the medical and retail cannabis industry in Canada. A failure in the demand for its business to materialize as a result of competition, technological change or other factors could have a material adverse effect on the proposed investments, business, results of operations, and financial condition of the Company.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and executive officers of the Company, no person or corporation beneficially owns, or controls or directs, directly or indirectly, 10% or more of the issued and outstanding Common Shares as at the date of the Prospectus.

In connection with the closing of the first tranche of a private placement whereby Aphria Inc., CannTrust Inc., VIVO Cannabis Inc. and Zenabis Ltd. (the "**LPs**"), either directly or indirectly, subscribed, in aggregate, for up to \$55 million in Common Shares in three tranches, subject to the terms and conditions of applicable subscription agreements and master investment agreements, including the achievement of future retail expansion milestones (the "**LP Financing**") on October 26, 2018, the LPs either directly or indirectly, purchased 21,978,022 Common Shares at a price of \$0.91 per Common Share for total proceeds of \$20.0 million. Three of the LPs, VIVO Cannabis Inc., Aphria Inc. and

CannTrust Inc., either directly or indirectly, have entered into LP Contracts with the Company (see “*Summary Description of Business – Potential Conflicts of Interest*”).

To the knowledge of the directors and officers of the Company, each of the LPs did not hold any Common Shares prior to closing of the first tranche of the LP Financing, and the following table sets out the number of Common Shares that each of the LPs beneficially owned, or controlled or directed, directly or indirectly, as of the date of closing of the first tranche of the LP Financing:

NAME	NUMBER OF COMMON SHARES	PERCENTAGE OF EQUITY (NON-DILUTED) ⁽¹⁾	PERCENTAGE OF EQUITY (FULLY-DILUTED) ⁽²⁾	TYPE OF OWNERSHIP
Aphria Inc.	5,494,505	3.03%	2.74%	Direct
VIVO Cannabis Inc.	5,494,505	3.03%	2.74%	Indirect
CannTrust Inc.	5,494,505	3.03%	2.74%	Indirect
Zenabis Ltd.	5,494,505	3.03%	2.74%	Indirect

Notes:

- (1) Based on 181,286,953 Common Shares outstanding on a non-diluted basis as at October 26, 2018, the date of closing of the first tranche of the LP Financing.
- (2) Based on 200,168,007 Common Shares outstanding on a fully-diluted basis as at October 26, 2018, the date of closing of the first tranche of the LP Financing.

Pursuant to the agreements entered into between the LPs and the Company with respect to the LP Financing, each of the LPs may also be required to purchase and subscribe for additional Common Shares upon the completion of certain milestones by the Company. There can be no guarantee that the Company will complete the milestones or complete additional tranches of the LP Financing. For further details on the LP Financing, see “*General Development of the Business – National Access Cannabis Corp. (the Company)*” in the AIF.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are MNP LLP, Chartered Professional Accountants, Ottawa, Ontario. MNP LLP is independent of the Company in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario. The transfer agent and registrar for the Common Shares is TSX Trust Company at its offices in Calgary, Alberta.

LEGAL MATTERS

Certain legal matters to the Securities offered by a Prospectus Supplement will be passed upon, on behalf of the Company, by Borden Ladner Gervais LLP. As at the date hereof, the partners and associates of Borden Ladner Gervais LLP, as a group, beneficially own, directly or indirectly, less than one percent of any class of securities of the Company.

STATUTORY AND CONTRACTUAL RIGHTS

Unless provided otherwise in a Prospectus Supplement, the following is a description of a purchaser’s statutory and contractual rights.

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some provinces, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for

rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

Furthermore, original purchasers of debt securities which are convertible into other securities of the Company, Subscription Receipts which are convertible into other securities of the Company or of warrants offered separately will have a contractual right of action for rescission against the Company in respect of the conversion, exchange or exercise of a debt security, Subscription Receipt or warrant, as the case may be. The contractual right of rescission will entitle such original purchasers to receive the amount paid upon conversion, exchange or exercise, as the case may be, upon surrender of the underlying securities gained thereby, in the event that this Prospectus, a Prospectus Supplement or any amendment thereto contains a misrepresentation, provided that: (i) the conversion, exchange or exercise, as the case may be, took place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 203 of the *Securities Act* (Alberta), and is in addition to any other right or remedy available to original purchasers under section 203 the *Securities Act* (Alberta) or otherwise at law. Original purchasers are further advised that in certain provinces the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the convertible, exchangeable or exercisable security that was purchased under a prospectus, and therefore a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights, or consult with a legal advisor.

CERTIFICATE OF NATIONAL ACCESS CANNABIS CORP.

Dated: August 1, 2019

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

(Signed) Mark Goliger
Chief Executive Officer

(Signed) Michael Cosic
Chief Financial Officer

On behalf of the Board of Directors

(Signed) Marc Lustig
Director

(Signed) Rocco Meliambro
Director