

TWEED MARIJUANA INC.

NOTICE

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the shareholders (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of Tweed Marijuana Inc. (the “**Corporation**”) will be held at The National Club, 303 Bay Street Toronto, ON M5H 2R1 on September 17, 2015 at the hour of 3:30 pm (Eastern time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended March 31, 2015, together with the report of the auditors thereon;
2. in the event the Corporation’s “Transaction” (as defined in the section of the Corporation’s management information circular for the Meeting (the “**Circular**”) entitled “Particulars of Matters to Be Acted Upon – 1. Election of Directors”) does not close, to elect the directors of the Corporation as more fully described in the section of the Circular entitled “Particulars of Matters to Be Acted Upon – 1. Election of Directors”;
3. to re-appoint Deloitte LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix their remuneration as more fully described in the section of the Circular entitled “Particulars of Matters to Be Acted Upon – 2. Appointment of Auditors”;
4. to consider and, if deemed advisable, pass a special resolution in the form set out in the Circular to approve the filing of articles of amendment to change the name of the Corporation to “Canopy Growth Corporation” as more fully described in the section of the Circular entitled “Particulars of Matters to be Acted Upon – 3. Name Change”;
5. to consider an ordinary resolution in the form set out in the Circular approving the election of directors of the Corporation, conditional upon closing of the Transaction as more fully described in the section of the Circular entitled “Particulars of Matters to be Acted Upon – 4. Election of Directors to Take Effect in Connection with the Closing of the Transaction”;
6. to consider an ordinary resolution in the form set out in the Circular ratifying, confirming and approving the Corporation’s 10% rolling stock option plan, including without limitation the reservation for issuance of shares thereunder, as more fully described in the section of the Circular entitled “Particulars of Matters to be Acted Upon – 5. Stock Option Plan”; and
7. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

The Corporation is sending meeting-related materials to Shareholders using Notice and Access. Notice and Access is a set of rules for reducing the volume of materials that must be physically mailed to Shareholders by posting the information circular and additional materials online.

The Circular, this Notice, a form of proxy, the audited annual financial statements of the Corporation for the financial year ended March 31, 2015 and the MD&A relating to such financial statements are available on SEDAR at www.sedar.com and at <http://www.tweed.com/pages/investor-relations>. Shareholders are reminded to review these online materials when voting. Shareholders may choose to receive paper copies of such materials or obtain further information about Notice and Access by contacting the Corporation at the toll free number 1-855-558-9333. In order for Shareholders to receive the paper copies of such materials in advance of any deadline for the submission of voting instructions and the date of the Meeting it is recommended to contact the Corporation at the number above as soon as possible but not later than September 7, 2015.

Shareholders are requested to complete, sign and return such form of proxy or voting instruction form, as applicable.

In order for a registered Shareholder to be represented by proxy at the Meeting, the Shareholder must complete and submit the enclosed form of proxy or other appropriate form of proxy. Completed forms of proxy must be received by Computershare Investor Services Inc., the transfer agent of the Corporation, at 100 University Ave., 8th Floor, Toronto, Ontario M5J 2Y1 attention Proxy Department in the enclosed envelope, not later than 3:30 p.m. (Eastern time) on September 15, 2015 or may be accepted by the Chairman of the Meeting prior to the commencement of the Meeting.

Non-registered Shareholders should use the enclosed voting instruction form to provide voting instructions. The voting instruction form contains instructions on how to complete the form, where to return it to and the deadline for returning it. It is important to read and follow the instructions on the voting instruction form in order to have your vote count.

DATED at Ottawa, Ontario this 7th day of August, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

(signed "Bruce Linton")

Bruce Linton
Chief Executive Officer and Chairman of the Board

TWEED MARIJUANA INC.

MANAGEMENT INFORMATION CIRCULAR

GENERAL PROXY RELATED INFORMATION

Management Solicitation

This Circular is furnished in connection with the solicitation of proxies by the management of Tweed Marijuana Inc. (the “**Corporation**”) for use at an annual and special meeting (the “**Meeting**”) of the shareholders of the Corporation (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) will be held at The National Club, 303 Bay Street, Toronto, ON M5H 2R1 on September 17, 2015 at the hour of 3:30 pm (Eastern time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended March 31, 2015, together with the report of the auditors thereon;
2. in the event the Corporation’s “Transaction” (as defined in the section of the Corporation’s management information circular for the Meeting (the “**Circular**”) entitled “Particulars of Matters to Be Acted Upon – 1. Election of Directors”) does not close, to elect the directors of the Corporation as more fully described in the section of the Circular entitled “Particulars of Matters to Be Acted Upon – 1. Election of Directors”;
3. to re-appoint Deloitte LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix their remuneration as more fully described in the section of the Circular entitled “Particulars of Matters to Be Acted Upon – 2. Appointment of Auditors”;
4. to consider and, if deemed advisable, pass a special resolution in the form set out in the Circular to the to approve the filing of articles of amendment to change the name of the Corporation to “Canopy Growth Corporation” as more fully described in the section of the Circular entitled “Particulars of Matters to be Acted Upon – 3. Name Change”;
5. to consider an ordinary resolution in the form set out in the Circular approving the election of directors of the Corporation, conditional upon closing of the Transaction as more fully described in the section of the Circular entitled “Particulars of Matters to be Acted Upon – 4. Election of Directors to Take Effect in Connection with the Closing of the Transaction”;
6. to consider an ordinary resolution in the form set out in the Circular ratifying, confirming and approving the Corporation’s 10% rolling stock option plan, including without limitation the reservation for issuance of shares thereunder, as more fully described in the section of the Circular entitled “Particulars of Matters to be Acted Upon – 5. Stock Option Plan”; and
7. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

This solicitation is made by the management of the Corporation. It is expected that the solicitation will primarily be by mail. Proxies may also be solicited personally or by telephone by regular employees of and by agents engaged by the Corporation at nominal cost. The cost of solicitation will be borne by the Corporation. Except as otherwise stated, the information contained herein is given as of August 7, 2015 (the “**Record Date**”).

The form of proxy (the “**Proxy**”) forwarded to Shareholders with the Notice of Meeting confers discretionary authority upon the proxy nominees with respect to amendments or variations of matters identified in the Notice of Meeting or other matters which may properly come before the Meeting.

Registered Shareholders – Voting by Proxy

The persons named in the enclosed form of proxy for the Meeting are officers of the Corporation.

A registered holder of Corporation Shares has the right to appoint some other person, who need not be a Shareholder, to represent the Shareholder at the Meeting by striking out the names of the persons designated in the accompanying form of proxy and by inserting such other person's name in the blank space provided or by executing another proper form of proxy.

Completed forms of proxy must be received by Computershare Investor Services Inc., the transfer agent of the Corporation, at 100 University Ave., 8th Floor, Toronto, Ontario M5J 2Y1 attention Proxy Department in the enclosed envelope, not later than 3:30 p.m. (Eastern time) on September 15, 2015 or may be accepted by the Chairman of the Meeting prior to the commencement of the Meeting.

The form of proxy affords the registered Shareholder an opportunity to specify that the shares registered in his or her name shall be voted for, against or withheld from voting in respect of the matters to come before the Meeting, as applicable.

On any ballot that may be called for, the shares represented by proxies in favour of management nominees will be voted for, against or withheld from voting in respect of the matters to come before the Meeting in accordance with the instructions given in such proxies.

In respect of proxies in which the Shareholders have not specified that the proxy nominees are required to vote for, against or withhold from voting in respect of the matters scheduled to come before the Meeting, the shares represented by the proxies in favour of management nominees will be voted **for** the matters described in the Notice of Meeting.

Management knows of no matters scheduled to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the shares represented by proxies in favour of management nominees will be voted on such matters in accordance with the best judgment of the proxy nominees.

A proxy given by a registered Shareholder for use at the Meeting may be revoked at any time prior to its use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Any such instrument revoking a proxy must be deposited at the registered office of the Corporation, at 515 Legget Drive, Suite 800, Ottawa, Ontario K2K 3G4 Attention: Chief Financial Officer, any time up to and including the last business day preceding the day of the Meeting, or an adjournment thereof, or deposited with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. If the instrument of revocation is deposited with the Chairman on the day of the Meeting or any adjournment thereof, the instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

Non-Registered Holders – Voting Instruction Form

Only registered holders of Corporation Shares or the persons they appoint as their proxies are permitted to vote at the Meeting. Many Shareholders are not registered Shareholders (“**Beneficial Shareholders**”) because the shares they own are not registered in their names but are instead either (i) registered in the name of an intermediary (the “**Intermediary**”) that the Beneficial Shareholder deals with in respect of the Corporation Shares, such as, among others, brokerage firms, banks, trust companies, securities dealers or

brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the meeting materials to Intermediaries and clearing agencies for onward distribution to Beneficial Shareholders.

Intermediaries are required to forward the meeting materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the meeting materials to Beneficial Shareholders. If you are a Beneficial Shareholder, your name and address will appear on the voting instruction form sent to you by an Intermediary (bank, broker or trust company). A Beneficial Shareholder may vote or appoint a proxy by mail, phone, fax or on the Internet, as applicable, in accordance with the voting instruction form. Your Intermediary, as registered holder, will submit the vote or proxy appointment to the Corporation on your behalf. You must submit your voting instruction form in accordance with the instructions and within the time limits set by your Intermediary. If you or a person you designate plan to attend the meeting and vote you must appoint yourself or that person as proxy using the voting instruction form. Beneficial Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instructions form is to be delivered.

A Beneficial Shareholder may revoke a form of proxy or voting instructions form given to an Intermediary by contacting the Intermediary through which the Beneficial Shareholder's Corporation Shares are held and following the instructions of the Intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

Notice and Access

The Corporation is sending proxy-related materials to Shareholders using Notice and Access. Notice and Access is set of rules for reducing the volume of materials that must be physically mailed to Shareholders by posting the information circular and additional materials online. Shareholders will still receive the Notice of Meeting, and may choose to receive a hard copy of the Circular and other materials. Details are included in the Notice of Meeting. This Circular, the Notice of Meeting, a form of proxy, the audited annual financial statements of the Corporation for the financial year ended March 31, 2015 and the MD&A relating to such financial statements are available on SEDAR at www.sedar.com and at <http://www.tweed.com/pages/investor-relations>. Shareholders are reminded to review these online materials when voting. Shareholders may choose to receive paper copies of such materials or obtain further information about Notice and Access by contacting the Corporation at the toll free number 1-855-558-9333.

The Corporation does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-101F7 -- Request for Voting Instructions Made by Intermediary, and that in the case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation has fixed the close of business on August 7, 2015 as the Record Date for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. As at the Record Date,

50,965,771 common shares of the Corporation (the “**Common Shares**”) carrying the right to one vote per share at the Meeting were issued and outstanding.

In accordance with the provisions of the *Canada Business Corporations Act*, the Corporation will prepare a list of the holders of Common Shares on the Record Date. Each holder of Common Shares named on the list will be entitled to vote the Common Shares shown opposite his, her or its name on the list at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the date hereof, the only persons who beneficially own, or control or direct, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to the Common Shares are as follows:

Name	Number of Shares Owned (Percentage of Class and Type of Ownership)	
	Common Shares	Percentage of Voting Rights
Charles Rifici (1)	7,721,161	15.1%

Notes:

- (1) Includes 7,618,487 Common Shares held by The Trustees of The Rifici Family Trust and 102,674 Common Shares held by GMP Securities Inc. in trust for Charles Rifici.

EXECUTIVE AND DIRECTOR COMPENSATION

Director and Named Executive Officer Compensation

The following table sets forth the compensation paid or awarded to the Corporation’s Named Executive Officers as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) and directors for each of the Corporation’s two most recently completed financial years. In this Circular, fiscal 2015 (or the last financial year) refers to the period from January 1, 2014 to March 31, 2015 and fiscal 2013 refers to the period from January 1, 2013 to December 31, 2013 as a result of a change of the Corporation’s fiscal year end from December 31 to March 31.

Table of compensation excluding compensation securities							
Name and principal position	Fiscal Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Bruce Linton, Director, Chief Executive Officer and Chair ⁽¹⁾	2015	250,000	150,000	-	6,105	-	406,105
	2013	100,000	-	-	-	-	100,000
Charles Rifici, Former Chief Executive Officer ⁽²⁾	2015	218,307	-	-	20,077	-	238,383
	2013	106,328	-	-	83	-	106,411
Donald Gibbs, Former Chief Financial Officer ⁽³⁾	2015	178,716	-	-	7,398	142,150	328,265
	2013	N/A	N/A	N/A	N/A	N/A	N/A
Gerald Leahy, Former Chief Financial Officer	2015	44,149	-	-	-	7,496	51,645
	2013	N/A	N/A	N/A	N/A	N/A	N/A

Table of compensation excluding compensation securities							
Name and principal position	Fiscal Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
(4)							
Mark Zekulin, President, Tweed Inc. and Officer	2015	166,775	-	-	5,506	41,625	213,906
	2013	32,075	-	-	68	-	32,143
John Bell, Director	2015	-	-	18,104	-	213	18,317
	2013	N/A	N/A	N/A	N/A	N/A	N/A
Andrew Moffat, Director	2015	-	-	48,277	-	59,902	107,369
	2013	N/A	N/A	N/A	N/A	N/A	N/A
Larry Poirier, Director	2015	54,750	-	55,230	-	75,506	185,486
	2013	N/A	N/A	N/A	N/A	N/A	N/A
Chris Schnarr, Director	2015	-	-	57,480	-	65,658	123,138
	2013	N/A	N/A	N/A	N/A	N/A	N/A

(1) Mr. Linton has served as the Company's Chief Executive Officer since August 28, 2014. No portion of his salary is attributed to his service on the Board.

(2) Mr. Rifici acted as the Corporation's President and Chief Executive Officer from March 26, 2014 to August 28, 2014.

(3) Mr. Gibbs served as the Corporation's Chief Financial Officer from April 30, 2014 to May 8, 2015.

(4) Mr. Leahy served as the Corporation's Chief Financial Officer from March 26, 2014 to April 30, 2014.

Director and Named Executive Officer Stock Options and Other Compensation Securities

Grants of Compensation Securities in Fiscal 2015

The following table sets forth all compensation securities granted or issued to each of the Corporation's directors and Named Executive Officers by the Corporation or one of its subsidiaries in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽⁹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Bruce Linton, Director, Chief	N/A	NIL	N/A	N/A	N/A	N/A	N/A

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽⁹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Executive Officer and Chair ⁽¹⁾							
Donald Gibbs, Former Chief Financial Officer ⁽²⁾	Stock Options	57,349	April 21, 2014	\$3.35	\$3.69	\$2.10	April 21, 2020
Mark Zekulin, President, Tweed Inc. and Officer ⁽³⁾	Stock Options	100,535 options, representing 100,535 underlying Common Shares ⁽¹⁰⁾	April 4, 2014	\$0.89	\$2.59	\$2.10	April 4, 2020
	Stock Options	63,072 options, representing 63,072 underlying Common Shares	June 29, 2014	\$2.96	\$2.96	\$2.10	June 29, 2020
	Stock Options ⁽⁴⁾	125,000 options, representing 125,000 underlying Common Shares	March 31, 2015	\$2.11	\$2.10	\$2.10	March 31, 2021
John Bell, Director ⁽⁵⁾	Stock Options ⁽⁴⁾	125,000 options, representing 125,000 underlying Common Shares	March 31, 2015	\$2.11	\$2.10	\$2.10	March 31, 2021
Andrew Moffat, Director ⁽⁶⁾	Stock Options ⁽¹¹⁾	58,615 options, representing 58,615 underlying Common Shares ⁽¹⁰⁾	April 4, 2014	\$0.89	\$2.59	\$2.10	April 4, 2020
	Stock Options	90,000 options, representing 90,000 underlying Common Shares	June 29, 2014	\$2.96	\$2.96	\$2.10	June 29, 2020
Larry Poirier, Director ⁽⁷⁾	Stock Options ⁽¹¹⁾	58,615 options, representing 58,615 underlying Common Shares ⁽¹⁰⁾	April 4, 2014	\$0.89	\$2.59	\$2.10	April 4, 2020
	Stock Options	115,000 options, representing 115,000 underlying Common Shares	June 29, 2014	\$2.96	\$2.96	\$2.10	June 29, 2020
Chris Schnarr, Director ⁽⁸⁾	Stock Options	100,000 options, representing 100,000 underlying Common Shares	June 30, 2014	\$2.96	\$2.93	\$2.10	June 29, 2020

(1) As of the last day of the most recently completed financial year end, Mr. Linton did not hold any Corporation compensation securities. Mr. Linton provides services to the Corporation pursuant to a consulting agreement between the Corporation and his holding company, HBAM Holdings Inc.

(2) As of the last day of the most recently completed financial year end, Mr. Gibbs held 440,937 options, representing an equal number of underlying Common Shares. These options vest as follows: 1/3 on each of the first 3 anniversaries of the grant date.

(3) As of the last day of the most recently completed financial year end, Mr. Zekulin held 422,487 options, representing an equal number of underlying Common Shares.

(4) Such options vest as follows: 1/3 vesting on first anniversary of date of grant and monthly thereafter for 2 years such that all options vest by the 3rd anniversary of the date of grant.

(5) As of the last day of the most recently completed financial year end, Mr. Bell held 125,000 options, representing an equal number of underlying Common Shares.

(6) As of the last day of the most recently completed financial year end, Mr. Moffat held 102,000 options, representing an equal number of underlying Common Shares.

(7) As of the last day of the most recently completed financial year end, Mr. Poirier held 115,000 options, representing an equal number of underlying Common Shares.

(8) As of the last day of the most recently completed financial year end, Mr. Schnarr held 100,000 options, representing an equal number of underlying Common Shares.

(9) The stock options held by each of the Named Executive Officers and directors listed above, if exercised, would represent less than 1% of the issued and outstanding Common Shares.

(10) Such options were cancelled by the Corporation on April 24, 2014 pursuant to a request by the TSX Venture Exchange.

(11) Such options vest as follows: 25% vest on the date that is each of 3,6,9 and 12 months from the date of grant.

Except as set forth in the notes to the table above, each of the options in the preceding table vests as follows: (a) 25% of the options granted shall vest on the first anniversary of the date of grant; and (b) 6.25% of the options granted shall vest on the first day of each calendar quarter following the first anniversary of the date of grant, so that on the fourth anniversary of the date of grant, all of the options granted will have vested and will be exercisable until the sixth anniversary of the date of grant.

Messrs. Rifici and Leahy did not receive any compensation securities in fiscal 2015.

Exercise of Compensation Securities

The following table sets forth each exercise by a director or named executive officer of compensation securities during the most recently completed financial year.

Exercise of Compensation Securities by Directors and Named Executive Officers							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Larry Poirier, Director	Stock options	12,000	\$0.50	April 21, 2014	\$3.69	\$3.19	\$38,280

Stock Option Plan

In 2009, the Corporation established its Stock Option Plan. Under the Stock Option Plan, the board of directors of the Corporation (the “**Board**”) may from time to time, in its discretion, and in accordance with the TSX Venture Exchange (the “**Exchange**”) requirements, grant to directors, officers, employees and consultants of the Corporation and its affiliates, non-transferable options to purchase Common Shares for a period of up to six years from the date of grant, provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant, which as of the Record Date represented 5,096,577 Common Shares.

The purpose of the Stock Option Plan is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The Stock Option Plan provides an incentive for and encourages ownership of the Common Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Common Shares.

Unless otherwise approved and/or amended by the Board and specifically set forth in a stock option agreement, options granted pursuant to the Stock Option Plan vests as follows: (a) 25% of the options granted shall vest on the first anniversary of the date of grant; and (b) 6.25% of the options granted shall vest on the first day of each calendar quarter following the first anniversary of the date of grant, so that on the fourth anniversary of the date of grant, all of the options granted will have vested and will be exercisable until the sixth anniversary of the date of grant.

As at the Record Date, a total of 4,734,489 Common Shares were issuable pursuant to options outstanding under the Stock Option Plan, representing 9.3% of the issued and outstanding Common Shares. The Stock Option Plan has not previously been approved by the Shareholders. The Stock Option Plan must be approved by Shareholders annually at the Corporation’s annual general meetings in accordance with the policies of the Exchange.

Employment Agreements

Except as set forth below, the Corporation does not have employment agreement or arrangements under which compensation was provided during the most recently completed financial year in respect of services provided to the Corporation or any of its subsidiaries by a director or Named Executive Officer, or by any other party by are services typically provided by a director or Named Executive Officer.

Mr. Linton provides services to the Corporation pursuant to a consulting agreement between the Corporation and his holding company, HBAM Holdings Inc., the term of which is July 1, 2013 to July 1, 2015 (the “**Consulting Agreement**”). Pursuant to the terms of the Consulting Agreement, the Corporation shall pay to the Consultant a monthly fee on the first of each month (the “**Consulting Fee**”) for each month in the Term in consideration of the Consulting Services. The Consulting Fee is in the amount of \$16,667 per month, not including applicable taxes or reimbursements.

The Consulting Agreement may be terminated by Mr. Linton or the Corporation upon giving to the other party thirty (30) days prior written notice. If the Consulting Agreement is terminated by the Corporation then the Corporation shall immediately pay the Consultant an amount equal to the greater of the Consulting Fee multiplied by twelve (12); and the Consulting Fee otherwise payable on the remaining months of the term at that time.

Compensation Discussion and Analysis

Each executive officer of the Corporation receives a base salary, which constituted the largest share of each officer’s compensation package during the fiscal year ended March 31, 2015. Base salary is recognition for discharging job responsibilities and reflects the officer’s performance over time, as well as

that individual's particular experience and qualifications. An officer's base salary is reviewed by the Compensation and Governance Committee on an annual basis and may be adjusted to take into account performance contributions for the year and to reflect sustained performance contributions over a number of years.

As determined by the Compensation and Governance Committee on an annual basis, the non-management directors of the Corporation are eligible to receive the fees as described below in their capacities as directors, and are reimbursed for travel and other out-of-pocket expenses incurred in connection with such duties.

Fees	(\$)
Board Retainer (Monthly)	1,000
Board Meeting Fees (Per Meeting Attended)	750
Committee Chair Retainer (Monthly)	1,500
Committee Member Retainer (Monthly)	750
Committee Meeting Fees (Per Meeting Attended)	500

In addition, officers and directors are eligible under the Corporation's stock option plan (the "**Stock Option Plan**") to receive grants of stock options. During the fiscal year ended March 31, 2015, the Stock Option Plan was an important part of the Corporation's long-term incentive strategy for its officers and directors, permitting them to participate in any appreciation of the market value of the Common Shares over a stated period of time. The Stock Option Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. The size of the stock option grants to officers and directors during the fiscal year ended March 31, 2015 was generally dependent on the board of director's opinion as to each officer's and director's level of responsibility, authority and importance to the Corporation and the degree to which such officer's or director's long term contribution to the Corporation will be key to its long term success. Previous grants of option-based awards are not taken into account when considering new grants.

Compensation Risk

The Board considers and assesses, as necessary, the implications of risks associated with the Corporation's compensation policies and practices and devotes such time and resources as it believes are appropriate given the Corporation's relatively limited operating history, size and straightforward method of executive compensation. The Corporation's practice during the fiscal year ended March 31, 2015 of compensating its officers through a mix of salary and stock options was designed to mitigate risk by: (i) ensuring that the Corporation retains such officers; and (ii) aligning the interests of its officers with the short-term and long-term objectives of the Corporation and its Shareholders. During the fiscal year ended March 31, 2015, the Board did not identify any risks arising from the Corporation's compensation policies and practices that the board believed were reasonably likely to have a material adverse effect on the Corporation.

Financial Instruments

Except where prohibited by law, the Corporation's executive officers and directors have not been prohibited from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an executive officer or director. To the Corporation's knowledge, no executive officer or director of the Corporation has entered into or purchased such a financial instrument.

The Corporation’s Insider Trading Policy stipulates that insiders of the Corporation should refrain from frequent buying and selling of the securities of the Corporation for the purpose of realizing the short-term profits and should acquire securities only as a long-term investment.

Compensation Governance

The Corporation has established a Compensation and Governance Committee. As discussed above under “Compensation Discussion and Analysis”, decisions regarding compensation of the officers and directors are made by the Board, based on recommendations by the Compensation and Governance Committee. The Compensation and Governance Committee relies on input from management to assess individual performance of the officers. The Compensation and Governance Committee has not, at any time since the Corporation’s most recently completed fiscal year, retained a compensation consultant or advisor to assist the Board or the Compensation and Governance Committee in determining the compensation for any of the Corporation’s executive officers’ or directors’ compensation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding the number of Common Shares to be issued upon exercise of outstanding options and the weighted average exercise price of the outstanding options in connection with the Stock Option Plan as at March 31, 2015:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	3,924,040 ⁽¹⁾	\$1.81	1,151,226 ⁽²⁾
Equity compensation plans not approved by security holders	-	-	-
Total	3,924,040 ⁽¹⁾	\$1.81	1,151,226 ⁽²⁾

Notes:

- (1) The outstanding options are governed by the Stock Option Plan.
- (2) Based on 10% of the 50,752,666 issued and outstanding Common Shares as at March 31, 2015.

REPORT ON CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a priority for the Board and the Corporation’s management as both believe that effective corporate governance will help create and maintain shareholder value in the long term. A description of the Corporation’s corporate governance practices, which addresses the matters set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”), is set out below:

Independence of Directors

The Board currently consists of a total of five directors, of which four are considered “independent”, as such term is defined in NI 58-101. Mr. Linton is not considered independent as he is currently the Chief Executive Officer of the Corporation.

Directorships

The following directors of the Corporation presently serve as directors of other reporting issuers as follows:

Name	Name of Reporting Issuer	Name of Exchange or Market
Bruce Linton	Thermal Energy International Inc.	TSXV
John Bell	Strongco Corporation	TSX
Chris Schnarr	Legumex Walker Inc. Intrinsic 4D Inc.	TSX TSXV

Orientation and Continuing Education

While the Corporation does not yet have a formal continuing education program, the directors individually and as a group are encouraged to keep themselves informed on changing corporate governance and legal issues. Directors are individually responsible for updating their skills required to meet their obligations as directors. In addition, the Board undertakes thorough strategic planning sessions with management.

Ethical Business Conduct

The Board is responsible for promoting an ethical business culture and fostering an environment that places an emphasis on compliance. The Board monitors compliance, including through receipt by the Audit Committee of reports of unethical behaviour. To ensure that an ethical business culture is maintained and promoted, directors are encouraged to exercise their independent judgment. If a director has a material interest in any transaction or agreement that the Corporation proposes to enter into, such director is expected to disclose such interest to the Board in compliance with the applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. Further, any director who has a material interest in any proposed transaction or agreement will be excluded from the portion of the Board meeting concerning such matters and will be further precluded from voting on such matters.

Nomination of Directors

The Board is responsible for the identification and assessment of potential directors. While no formal nomination procedures are in place to identify new candidates, the Board does review the experience and performance of nominees for election to the Board. Members of the Board are canvassed with respect to the qualifications of a prospective candidate and each candidate is evaluated with respect to his or her experience and expertise, with particular attention paid to those areas of expertise that could complement and enhance current management. The Board also assesses any potential conflicts, independence or time commitment concerns that the candidate may present.

Compensation

At present, non-employee directors are eligible to receive the follow amounts in connection with their service to the Corporation in their capacity as directors.

Fees	(\$)
Board Retainer (Monthly)	1,000
Board Meeting Fees (Per Meeting Attended)	750
Committee Chair Retainer (Monthly)	1,500
Committee Member Retainer (Monthly)	750
Committee Meeting Fees (Per Meeting Attended)	500

See “Executive and Director Compensation” above.

Assessments

The Compensation and Governance Committee is currently responsible for assessing the effectiveness of the Board, the individual directors, the Audit Committee and the Compensation and Governance Committee.

Compensation and Governance Committee

The Compensation and Governance Committee's primary responsibilities are to make recommendations to our Board in respect of: (1) compensation policies and guidelines; (2) management incentive and perquisite plans and any non-standard remuneration plans; (3) senior management, executive and officer compensation; and (4) Board compensation matters. In addition, the CGCNC is responsible for overseeing and assessing the functioning of the Board of Directors, its committees and individual directors, and for the development, recommendation to the Board, implementation and assessment of effective corporate governance principles.

The Compensation and Governance Committee is composed of Andrew Moffat, Larry Poirier and Chris Schnarr, each of whom is a director of the Corporation. The majority of the Compensation and Governance Committee are not employees, Control Persons (as defined by the rules and policies of the Exchange) or officers of the Corporation.

Audit Committee

The Audit Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting and accounting compliance, the audit process and processes for identifying, evaluating and monitoring the management of the Corporation's principal risks impacting financial reporting. The committee also assists the Board with the oversight of financial strategies and overall risk management.

The Audit Committee is composed of Andrew Moffat, Larry Poirier and Chris Schnarr, each of whom is a director of the Corporation. In accordance with Exchange Policy 3.1, the majority of the Audit Committee are not employees, Control Persons (as defined by the rules and policies of the Exchange) or officers of the Corporation and each member is "independent" as such term is defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110"). The Board of Directors believes that the composition of the Audit Committee reflects financial literacy and expertise. Currently, the three members have been determined by the Board to be "independent" and "financially literate" as such terms are defined under *National Instrument 52-110 – Audit Committees* ("NI 52-110"). The Board has made these determinations based on the education as well as breadth and depth of experience of each member of the Committee. The following is a brief summary of the education and experience of each member of the Committee that is relevant to the performance of his or her responsibilities as an Audit Committee member.

Relevant Education and Experience

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements. The following is a brief summary of the education and experience of each member of the Committee that is relevant to the performance of his responsibilities as an Audit Committee member:

Andrew Moffat

Andrew Moffat is a director of the Corporation. Mr. Moffat will not work full time for the Corporation but will devote such time as is required in connection with his duties. Mr. Moffat is 62 and holds a B. Admin from University of Regina.

Larry Poirier

Larry Poirier is a director of the Corporation. Mr. Poirier will not work full time for the Corporation but will devote such time as is required in connection with his duties. Mr. Poirier is 49 and holds an MBA from Queen's University.

Chris Schnarr, ICD.D

Chris Schnarr is a director of the Corporation and Tweed Inc. Mr. Schnarr does not work full time for the Corporation but devotes such time as is required in connection with his duties. Mr. Schnarr is the Chief Financial Officer of Delivra Inc. and also currently serves as a director of Legumex Walker Inc. and Intrinsic 4D Inc. Previous roles held by Mr. Schnarr include director of Medworxx Corporation, CEO, CFO, and Director of BioExx Specialty Proteins Ltd. Mr. Schnarr is 48 years old and holds a BBA from Wilfrid Laurier University (1989) and an MBA from the University of British Columbia (1990). Mr. Schnarr is a member of the Institute of Corporate Directors, a graduate of the Directors Education Program at the Rotman School of Management at the University of Toronto, and holds the ICD.D designation.

A copy of the charter of the Audit Committee is attached as Schedule "C" to this Circular.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditors not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to "*De Minimis Non-audit Services*" or any exemption provided by Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

Pursuant to the terms of the Audit Committee Charter, the Audit Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the Corporation's external auditor.

External Auditor Service Fees (By Category)

The following table sets forth, by category, the fees for all services rendered by the Corporation's external auditors, Deloitte LLP, for the financial years ending March 31, 2015 (including estimates) and December 31, 2013.

Financial Year Ending	Audit Fees	Audit Related Fees ¹	Tax Fees ²	Other Fees ³
March 31, 2015	\$140,269	\$4,762-	\$20,618	\$115,988
December 31, 2013	\$10,000	-	-	-

Notes:

- (1) Aggregate audit related fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported as "Audit fees", including: assistance with aspects of tax accounting and consultation regarding financial accounting and reporting standards.
- (2) Aggregate tax fees billed for tax compliance, advice, planning and assistance with preparation of tax returns.
- (3) Aggregate fees billed relating to the Corporation's qualifying transaction completed on April 3, 2014, the short-form prospectus required for the respective 2014 equity offering and 2015 equity offering and other accounting advice.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 with respect to the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no "informed person" (as such term is defined in NI 51-102) or proposed nominee for election as a director of the Corporation or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Corporation has participated since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Election of Directors

The Board presently consists of five directors, namely Bruce Linton, John Bell, Andrew Moffat, Larry Poirier and Chris Schnarr.

As previously announced, the Corporation has entered into a definitive arrangement agreement dated June 23, 2015 (the "**Arrangement Agreement**"), pursuant to which it is proposed that the Corporation will acquire all of Bedrocan Cannabis Corp.'s ("**Bedrocan**") issued and outstanding securities (the "**Transaction**"). On August 24, 2015, shareholders of Bedrocan will be asked to consider pursuant to an interim order of the Ontario Superior Court of Justice (Commercial List) dated July 20, 2015 and, if deemed advisable, approve, with or without variation, a special resolution approving a statutory plan of arrangement pursuant to Section 182 of the *Business Corporations Act* (Ontario) involving the acquisition by the Corporation of all of the issued and outstanding common shares of Bedrocan, on the terms and subject to the conditions contained in the Arrangement Agreement. Subject to the approval of the Transaction by the shareholders of Bedrocan, a hearing in respect of the final order for the Transaction is currently scheduled to take place on August 26, 2015.

In the event the Transaction does not close, six directors are nominated for election at the Meeting. An affirmative vote of a majority of the votes cast at the Meeting is sufficient for the election of directors. Each director elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected or appointed pursuant to the by-laws of the Corporation. In the event the Transaction does close, please refer to "4 - Election of Directors to Take Effect in Connection with the Closing of the Transaction" below for a description of the persons proposed to be nominated for election as a director of the Corporation in such case.

The following table and notes thereto disclose: (i) the name and residence of each person proposed to be nominated for election as a director of the Corporation and all other positions and offices now held by him, if any, with the Corporation and any subsidiaries or affiliate thereof; (ii) his principal occupation or employment; (iii) the period or periods of services as a director of the Corporation; and (iv) the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly by him as at the Record Date.

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE MANAGEMENT NOMINEES. IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR THE ELECTION OF THE PROPOSED NOMINEES IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDERS APPOINTING THEM. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT DESIGNEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS OR HER PROXY THAT HIS OR HER COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

Name and Place of Residence	Principal Occupations For Last Five Years	Director Since	Number of Common Shares Beneficially Owned, Controlled or Directed
Bruce Linton Ottawa, Ontario, Canada	Sept 2014 to present – Chief Executive Officer of the Corporation May 2013 to present – Part-time CEO of Martello Technologies Corporation Jan 2007 to present – President of HBAM Holdings Inc.	March 26, 2014	3,621,711 ⁽³⁾
John Bell Cambridge, Ontario, Canada	Jan 2005 to present – Chairman and CEO Onbelay Capital Inc. an investment management and holding corporation	October 28, 2014	41,650 ⁽⁴⁾
Andrew Moffat ⁽¹⁾⁽⁷⁾ Carlsbad Springs, Ontario, Canada	Oct 2004 to present – CEO of Keshet Productions Inc. a production corporation that specializes in the production of media programs and entertainment industry software	August 5, 2009	134,224 ⁽⁵⁾
Larry Poirier ⁽¹⁾⁽⁷⁾⁽⁸⁾ Ottawa, Ontario, Canada	May 2013 to present – Self employed Mar 2012 to May 2013 – President of TUC Brands Sept 1987 to Mar 2012 – CEO of Nitro IT	August 5, 2009	92,000 ⁽⁶⁾
Chris Schnarr ⁽¹⁾⁽²⁾⁽⁷⁾ Mississauga, Ontario, Canada	May 2014 to present – CFO of Delivra Inc. a company involved in the development and sale of transdermal products and technologies for the topical delivery of pharmaceutical and natural molecules Aug 2013 to May 2014 – Managing Director of Lorian Group Inc. Aug 2011 to Aug 2013 – CEO and Director of BioExx Specialty Proteins Ltd. May 2007 to Aug 2011 – CFO and Director of BioExx Specialty Proteins Ltd.	March 26, 2014	NIL
Steven Small, Toronto, Ontario, Canada	July 2015 to present – Executive Chairman of DealNet Capital, a company focused on engagement powered consumer lending.	N/A	184,673 ⁽⁹⁾

Name and Place of Residence	Principal Occupations For Last Five Years	Director Since	Number of Common Shares Beneficially Owned, Controlled or Directed
	<p>April 2015 to present – Founder-Director of INFOR Acquisition Corp., a special purpose acquisition corporation</p> <p>1995 to present – Founder, Chair and CEO of Capital Partners Corporation, an exempt market dealer investing in health, personal care, technology and financial services</p>		

Notes:

- (1) Member of the Audit Committee.
- (2) Chair of the Audit Committee.
- (3) 3,516,225 of these Common Shares are held by HBAM Holdings Inc., a corporation controlled by Mr. Linton and 95,897 of these Common Shares are held by GMP Securities L.P. in trust for Mr. Linton.
- (4) Held by Onbelay Capital, of which Mr. Bell is the principal.
- (5) Owned by The Moffat Family Trust, of which Mr. Moffat is a trustee and beneficiary.
- (6) 80,000 of these Common Shares are owned by 1343790 Ontario Inc., a corporation controlled and wholly-owned by Mr. Poirier.
- (7) Member of Compensation and Governance Committee.
- (8) Chair of Compensation and Governance Committee.
- (9) 5,665 of these shares are held by a registered savings plan and 3,489 of these share are held by a tax-free savings account, each of the benefit of Dr. Small.

To the knowledge of the Corporation, the directors and senior officers of the Corporation as a group beneficially own, directly or indirectly, or over which control or direction is exercised, 4,667,036 of the issued and outstanding Common Shares, representing approximately 9.2% of the total votes attaching to all of the then outstanding voting securities of the Corporation as of the Record Date.

Certain information relating to each proposed director who is not already a director of the Corporation is set out below:

Steven Small is currently the Executive Chairman of DealNet Capital (DLS – TSX-V), a company focused on engagement powered consumer lending and Chairman of Capital Partners Corporation, an exempt market dealer investing in health, personal care, technology and financial services. In April 2015, Dr. Small retired from his position as a Co-Founder, Executive Vice-Chairman and seed capital investor of Element Financial Corporation (EFN – TSX), a top 100 TSX corporation, where he acted as Executive Vice Chairman and member of several board committees. He formerly was a Chairman and Interim CEO of MedcomSoft Inc. (TSX), a company that developed software solutions for the health care industry. Dr. Small is an experienced and successful entrepreneur having been a founder and/or a seed private equity investor in many companies across many business sectors. He was a Co-Founder, seed capital investor, Director and committee member of Newcourt Credit Group (NCT-TSX and NYSE). He also co-founded Knightsbridge Human Capital Solutions, which became Canada’s largest vertically integrated HR firm before being sold to LHH (an Adeco Company) in March of 2015. Dr. Small is currently a Founder-Director and committee member of INFOR Acquisition Corp. (IAC-UN – TSX). For the last 30 years, Dr. Small has been successful in a wide variety of business ventures – primarily private venture capital and corporate activities in many business sectors including finance, money management, personal care businesses, technology, health care and consulting. His business career has been primarily as founding investor and an active contributing board member, but has included founding and managing, as General Partner and investor, a \$100 million venture capital LP Fund as well as engagements as Interim CEO, financial and strategic advisor. Dr. Small holds a B.Sc.D. (anesth) and a DDS from the University of Toronto. He is a Certified Specialist in Anaesthesia and continues to practice part time in the group practice that he founded in 1981 and holds several professional honours and designations. Dr. Small was

one of the earliest business professionals to attend the Rotman School of Business (U. of Toronto) to earn the ICD.D Professional Director designation of the Institute of Corporate Directors.

Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed herein, to the knowledge of the Corporation, no proposed director is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

Except as disclosed herein, to the knowledge of the Corporation, no proposed director:

- (a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Chris Schnarr was a director and an officer of BioExx Specialty Proteins Ltd. and its subsidiaries (“**BioExx**”) which was a reporting issuer listed on the TSX. Mr. Schnarr resigned from the board of directors and as an officer of BioExx and its subsidiaries on August 28, 2013. On October 1, 2013, BioExx commenced proceedings under the *Companies’ Creditors Arrangement Act* (Canada). On the same date the trading of BioExx’s shares on the TSX was halted and on November 6, 2013 the shares of BioExx were delisted from the TSX.

In December 2010, while Bruce Linton was a director of Sitebrand Inc. and within a year after Charles Rifici’s departure as Chief Financial Officer of Sitebrand Inc., its wholly owned subsidiary, Sitebrand.com Inc., filed a Notice of Intention to make a proposal to its creditors and has obtained protection from its creditors under the provisions of the *Bankruptcy and Insolvency Act* and in February

2011 Sitebrand.com Inc. made an assignment in bankruptcy under the provisions of the *Bankruptcy and Insolvency Act*.

2. Appointment of Auditors

Management proposes to nominate Deloitte LLP, Chartered Accountants, which firm has been auditor of the Corporation since 2014 as auditor of the Corporation to hold office until the next annual meeting of Shareholders.

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE RESOLUTION APPOINTING DELOITTE LLP, CHARTERED ACCOUNTANTS, AS AUDITOR OF THE CORPORATION AND THE AUTHORIZING OF THE DIRECTORS TO FIX ITS REMUNERATION. IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF DELOITTE LLP, CHARTERED ACCOUNTANTS, AS AUDITOR OF THE CORPORATION AND THE AUTHORIZING OF THE DIRECTORS TO FIX ITS REMUNERATION IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST AT THE MEETING IS SUFFICIENT FOR THE APPOINTMENT OF THE AUDITOR.

3. Name Change

The Corporation is proposing to change its name to “Canopy Growth Corporation” in order to more accurately reflect its current business activities and to reflect its evolution as a multi-brand holding company. At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to approve the special resolution set forth in Schedule “A” to this Circular (the “**Name Change Resolution**”) authorizing the Corporation to file articles of amendment under the *Canada Business Corporations Act* (the “**CBCA**”) to change the name of the Corporation from “Tweed Marijuana Inc.” to “Canopy Growth Corporation” or such other name as the Board deems appropriate, in its sole discretion (the “**Name Change**”). The name change will be subject to approval by the Exchange. The Common Shares currently trade under the symbol “TWD” on the Exchange. The Corporation will be assigned a new ticker symbol by the Exchange, with such new ticker symbol to be communicated to Shareholders by press release prior to the Name Change taking effect.

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE NAME CHANGE RESOLUTION. TO BECOME EFFECTIVE, THE NAME CHANGE RESOLUTION MUST BE APPROVED BY AT LEAST 2/3 OF THE VOTES CAST BY THE SHAREHOLDERS VOTING IN PERSON OR BY PROXY AT THE MEETING. UNLESS DIRECTED OTHERWISE, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND TO VOTE FOR THE NAME CHANGE RESOLUTION. THE FULL TEXT OF THE NAME CHANGE RESOLUTION IS ANNEXED HERETO AS SCHEDULE “A”.

4. Election of Directors to Take Effect in Connection with the Closing of the Transaction

In the event that the Transaction closes, it is expected that Messrs. Poirier and Moffat will resign from the board of directors of the Corporation and it is proposed that the board of directors of the Corporation be constituted to reflect the management of the post-closing business of the Corporation. As such, at the Meeting, the Shareholders will be asked to approve the election of each of Bruce Linton, Chris Schnarr, John Bell, Murray Goldman, Barry Fishman and Steven Small to the Board, all conditional upon closing of the Transaction.

If elected, the term of office of each of these directors will run from the later of: (i) date of closing of the Transaction and (ii) the date of the Meeting at which they were elected, until the close of the next annual

meeting of the Shareholders or until a successor is elected or appointed. If the Transaction does not close, the election of these individuals will be of no effect and the board of directors elected pursuant to the first item of business at the Meeting will remain in effect.

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE POST-TRANSACTION MANAGEMENT NOMINEES, CONDITIONAL AND EFFECTIVE UPON CLOSING OF THE TRANSACTION. IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF POST-TRANSACTION MANAGEMENT NOMINEES WILL BE VOTED FOR THE ELECTION OF THE POST-TRANSACTION PROPOSED NOMINEES IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDERS APPOINTING THEM, CONDITIONAL AND EFFECTIVE UPON CLOSING OF THE TRANSACTION. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT DESIGNEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS OR HER PROXY THAT HIS OR HER COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS. THE NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS WILL BE ELECTED, CONDITIONAL UPON THE CLOSING OF THE TRANSACTION, IF APPROVED BY A MAJORITY OF THE VOTES CAST BY SHAREHOLDERS REPRESENTED IN PERSON OR BY PROXY AT THE MEETING AND ENTITLED TO VOTE THEREON. IF THE TRANSACTION DOES NOT CLOSE, THE ELECTION OF THESE INDIVIDUALS WILL BE OF NO EFFECT AND THE BOARD OF DIRECTORS ELECTED PURSUANT TO THE FIRST ITEM OF BUSINESS AT THE MEETING WILL REMAIN IN EFFECT.

It is intended that on any ballot that may be called for relating to the election of directors, the shares represented by proxies in favour of management nominees will be voted in favour of the increase to the conditional size of the board and election of such persons as directors of Corporation, unless a shareholder has specified in his or her proxy that his or her shares are to be withheld from voting.

Name and Place of Residence	Principal Occupations For Last Five Years	Director Since	Number of Common Shares Beneficially Owned, Controlled or Directed
Bruce Linton Ottawa, Ontario, Canada	Sept 2014 to present – Chief Executive Officer of the Corporation May 2013 to present – Part-time CEO of Martello Technologies Corporation Jan 2007 to present – President of HBAM Holdings Inc.	March 26, 2014	3,621,711 ⁽³⁾
John Bell Cambridge, Ontario, Canada	Jan 2005 to present – Chairman and CEO Onbelay Capital Inc. an investment management and holding corporation	October 28, 2014	41,650 ⁽⁴⁾
Chris Schnarr ^{(1) (2) (5)} Mississauga, Ontario, Canada	May 2014 to present – CFO of Delivra Inc. a company involved in the development and sale of transdermal products and technologies for the topical delivery of pharmaceutical and natural molecules Aug 2013 to May 2014 – Managing Director of Lorian Group Inc.	March 26, 2014	NIL

Name and Place of Residence	Principal Occupations For Last Five Years	Director Since	Number of Common Shares Beneficially Owned, Controlled or Directed
	<p>Aug 2011 to Aug 2013 – CEO and Director of BioExx Specialty Proteins Ltd.</p> <p>May 2007 to Aug 2011 – CFO and Director of BioExx Specialty Proteins Ltd.</p>		
Steven Small Toronto, Ontario, Canada	<p>July 2015 to present – Executive Vice Chairman of DealNet Capital, a company focused on engagement powered consumer lending.</p> <p>April 2015 to present – Founder-Director of INFOR Acquisition Corp., a special purpose acquisition corporation</p> <p>1995 to present – Founder, Chair and CEO of Capital Partners Corporation, an exempt market dealer investing in health, personal care, technology and financial services</p>	N/A	184,673 ⁽⁶⁾
Barry Fishman Thornhill, Ontario, Canada	<p>Chief Executive Officer of Merus Labs International Inc., a pharmaceutical company (2014 to present)</p> <p>President and Chief Executive Officer of Teva Canada, a pharmaceutical company (2008 to 2013)</p>	N/A	NIL
Murray Goldman Toronto, Ontario, Canada	Founder and Chairman of the Goldman Group, a real estate development company (1965 to present)	N/A	NIL

Notes:

- (1) Member of the Audit Committee.
- (2) Chair of the Audit Committee.
- (3) 3,516,225 of these Common Shares are held by HBAM Holdings Inc., a corporation controlled by Mr. Linton and 95,897 of these Common Shares are held by GMP Securities L.P. in trust for Mr. Linton.
- (4) Held by Onbelay Capital, of which Mr. Bell is the principal.
- (5) Member of Compensation and Governance Committee.
- (6) 5,665 of these shares are held by a registered savings plan and 3,489 of these share are held by a tax-free savings account, each of the benefit of Dr. Small.

To the knowledge of the Corporation, the directors and senior officers of the Corporation as a group beneficially own, directly or indirectly, or over which control or direction is exercised, 4,667,036 of the issued and outstanding Common Shares, representing approximately 9.2% of the total votes attaching to all of the then outstanding voting securities of the Corporation as of the Record Date.

Certain information relating to each proposed director who is not already a director of the Corporation is set out below:

As of the Record Date, Mr. Murray Goldman served as a director of Bedrocan (BED – TSX-V). Mr. Goldman is the founder and Chairman of The Goldman Group, a fully integrated real estate development company that has developed and built in Canada, the United States and Israel for over 50 years. The Goldman Group has a history of innovative and original mixed-use developments that have established

precedent-setting neighbourhoods in the Greater Toronto Area. In 2010, Mr. Goldman received the NAIOP lifetime achievement award acknowledging his leadership in this field. Mr. Goldman continues to serve as a director of a number of prominent organizations and is a major investor and founder of a number of innovative medical and scientific research companies.

As of the Record Date, Mr. Barry Fishman served as a director of Bedrocan (BED – TSX-V). Mr. Fishman is a recognized health care leader, advisor, and driver of profitable growth. He is currently the Chief Executive Officer of Merus Labs (a TSX-listed specialty pharmaceutical company). He is also the Managing Director of Sequoia Advisers Inc., a firm that provides advice to a number of health care organizations. Mr. Fishman is the former President & Chief Executive Officer of Teva Canada, a leading generic and specialty pharmaceutical company with up to \$1.0 billion in revenue and nearly 2000 employees. Prior to his role at Teva Canada, he served as Chief Executive Officer of Taro Canada, a niche specialty pharmaceutical company, and was the Vice President of Marketing at Eli Lilly Canada. Mr. Fishman started his career at Deloitte in Costa Mesa California, and obtained his Certified Public Accounting (CPA) designation.

Please refer to the section entitled “Particulars of Matters to be Acted Upon – 1. Election of Directors” for Dr. Small’s biography.

Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed herein, to the knowledge of the Corporation, no proposed director is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

Except as disclosed herein, to the knowledge of the Corporation, no proposed director:

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

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

Chris Schnarr was a director and an officer of BioExx Specialty Proteins Ltd. and its subsidiaries (“**BioExx**”) which was a reporting issuer listed on the TSX. Mr. Schnarr resigned from the board of directors and as an officer of BioExx and its subsidiaries on August 28, 2013. On October 1, 2013, BioExx commenced proceedings under the *Companies’ Creditors Arrangement Act* (Canada). On the same date the trading of BioExx’s shares on the TSX was halted and on November 6, 2013 the shares of BioExx were delisted from the TSX.

In December 2010, while Bruce Linton was a director of Sitebrand Inc. and within a year after Charles Rifici’s departure as Chief Financial Officer of Sitebrand Inc., its wholly owned subsidiary, Sitebrand.com Inc., filed a Notice of Intention to make a proposal to its creditors and has obtained protection from its creditors under the provisions of the *Bankruptcy and Insolvency Act* and in February 2011 Sitebrand.com Inc. made an assignment in bankruptcy under the provisions of the *Bankruptcy and Insolvency Act*.

5. Stock Option Plan

The Stock Option Plan, which is summarized above under “*Executive and Director Compensation – Director and Named Executive Officer Stock Options and Other Compensation Securities – Stock Option Plan*”, was established in 2009. A copy of the full Stock Option Plan is attached as Schedule “B” to this Circular.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to approve the special resolution set forth in Schedule “D” to this Circular (the “**Stock Option Resolution**”). The number of Common Shares reserved for issuance under the Stock Option Plan may not exceed 10% of the aggregate number of Common Shares issued and outstanding from time to time.

The regulations of the Exchange mandate that the Corporation obtain Shareholder approval of the Stock Option Plan annually. If the Stock Option Resolution is approved, the Stock Option Plan will remain in force and all options granted to date will remain outstanding, in each case without any amendment to their terms. Approval of the Stock Option Resolution will be obtained if a majority of the votes cast are in favour thereof.

IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE STOCK OPTION PLAN RESOLUTION IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST AT THE MEETING IS SUFFICIENT FOR APPROVAL OF THE STOCK OPTION RESOLUTION.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person or company who is, or at any time during the financial year ended March 31, 2015 was, a director or executive officer of the Corporation, a proposed management nominee for election as a director of the Corporation, or an associate or affiliate of any such director, executive officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors and the approval of the Corporation's stock option plan.

INTERESTS OF MANAGEMENT IN MATERIAL TRANSACTIONS

Tweed Inc., a wholly-owned subsidiary of the Corporation, leases its operating facility at 1 Hershey Drive, Smiths Falls, ON, K7A 0A8 from Tweed Hershey Drive Inc. Bruce Linton, Chairman, Chief Executive Officer and a director of the Corporation, is an officer, director and holds a minority interest in Tweed Hershey Drive Inc.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's financial statements and Management's Discussion and Analysis ("MD&A") for the financial year ended March 31, 2015. In addition, copies of the Corporation's annual financial statements and MD&A and this Circular may be obtained upon request to the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a Shareholder of the Corporation.

APPROVAL OF BOARD OF DIRECTORS

The contents of this Circular and the sending of it to each director of the Corporation, to the auditor of the Corporation, to the Shareholders and to the appropriate governmental agencies, have been approved by the directors of the Corporation.

DATED at Ottawa, Ontario this 7th day of August, 2015.

(signed "Bruce Linton")

Bruce Linton
Chief Executive Officer and Chairman of the Board

SCHEDULE "A"
NAME CHANGE RESOLUTION

"BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS THAT:

1. Conditional upon receiving any required regulatory approvals, that the articles of the Corporation be altered to change the Corporation's name from "Tweed Marijuana Inc." to "Canopy Growth Corporation", or such other name as the board of directors of the Corporation deems appropriate, in its sole discretion;
2. Any one or more directors or officers of the Corporation are hereby authorized, for and on behalf of the Corporation, to execute and deliver an amendment to articles of the Corporation and/or all other documents and do all such other acts or things as such person may determine to be necessary or advisable to give effect to this resolution, such determination to be conclusively evidenced by the taking of any such action or such director's or officer's execution and delivery of any such document; and
3. Notwithstanding that this resolution has been duly passed by the shareholders, the directors of the Corporation be, and they are hereby authorized, without further approval of or notice to the shareholders of the Corporation, to revoke this special resolution and/or to postpone or terminate the name change at any time prior to the filing of the amendment to the articles."

**SCHEDULE “B”
TWEED MARIJUANA INC.**

STOCK OPTION PLAN

1. Purpose of the Plan

The purpose of the Stock Option Plan (the “**Plan**”) is to assist Tweed Marijuana Inc. (the “**Company**”) and its subsidiaries in attracting, retaining and motivating directors, officers, employees and consultants by providing such persons the opportunity to participate in the growth and development of the Company, and to provide such persons with the opportunity to acquire an increased proprietary interest in the Company.

2. Definitions

In this Plan:

- (a) “**Affiliated Entity**” means a company which is an “affiliate” of the Company as defined in the Exchange Policies;
- (b) “**Associate**” has the meaning ascribed thereto by NI 45-106;
- (c) “**Blackout Period**” means the period beginning on the first day of the month following the end of each quarter or year end and ending on the close of business on the second Business Day following the day on which the Company discloses its annual or quarterly financial results;
- (d) “**Board**” means the board of directors of the Company;
- (e) “**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks located in Toronto are open for business during normal banking hours;
- (f) “**Change in Control**” means the happening of any of the following events: (i) any transaction pursuant to which (A) the Company goes out of existence or (B) any person, or any Associate or Related Entity of such person, (other than: the Company, a Related Entity of the Company or an employee benefit plan of the Company (including any trustee of such plan acting as trustee)) hereafter acquires the direct or indirect “beneficial ownership” (as such term is defined in the *Canada Business Corporations Act*) of securities of the Company representing 50% or more of the aggregate voting power of all of the Company’s then issued and outstanding securities; (ii) the sale of all or substantially all of the Company’s assets to a person other than a person that was a Related Entity; (iii) the dissolution or liquidation of the Company except in connection with the distribution of assets of the Company to one or more persons which were Related Entities prior to such event; or (iv) the occurrence of a transaction requiring approval of the Company’s shareholders involving the acquisition of the Company by an entity through purchase of assets, by amalgamation or otherwise;

- (g) “**Closing Price**” means the closing price of the Common Shares on the Exchange on the indicated trading day, provided that if there were no trades of the Common Shares on such trading day, the Closing Price shall mean the average of the bid and ask prices in respect of the Common Shares at the close of trading on such trading day;
- (h) “**Committee**” means the compensation committee appointed by the Board to administer the Plan. All references in the Plan to the Committee shall mean the Board if no committee has been appointed or if the Board acts in the compensation committee’s stead;
- (i) “**Common Shares**” means the common shares of the Company, or, in the event of an adjustment contemplated in Section 9 hereof, such other shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;
- (j) “**Company**” means Tweed Marijuana Inc.;
- (k) “**Completion of the Qualifying Transaction**” means the date the Final Exchange Bulletin is issued by the Exchange in respect of the Qualifying Transaction;
- (l) “**Consultant**” means a technical consultant whose particular industry expertise is required to evaluate a proposed Qualifying Transaction for the Company;
- (m) “**Date of Grant**” means the date a Participant is granted an Option to purchase Option Shares by resolution of the Board or, if the grant is authorized by the Board during a Blackout Period, by action of the Chief Executive Officer;
- (n) “**Director**” means a person occupying the position of director on the Board or any of its’ subsidiaries;
- (o) “**Discounted Market Price**” shall mean the closing trading price per Common Share on the Exchange on the last trading day preceding (i) the issuance of a news release in respect of the Option grant, or (ii) the date of grant, as applicable, on which there was a closing price (less the applicable discount permitted by the Exchange Policies), or, if the Common Shares are not listed on any stock exchange, a price determined by the Committee;
- (p) “**Employee**” means a current full time permanent employee of the Company or its Affiliated Entities and includes any Registered Retirement Savings Plan or Registered Retirement Income Fund established by or for an Employee (or under which an Employee is the beneficiary);
- (q) “**Exchange**” means the TSX Venture Exchange or, if the Common Shares are not then listed and posted for trading on the TSX Venture Exchange, on such stock exchange or quotation system on which such shares are listed, posted for trading or quoted as may be selected by the Committee;

- (r) “**Exchange Policies**” means the policies of the TSX Venture Exchange set forth in the TSX Venture Exchange Corporate Finance Manual or the policies of another Exchange, as the case may be;
- (s) “**Exercise Date**” means the date the Company receives from a Participant a completed Stock Option Purchase Form with payment for the Option Shares being purchased;
- (t) “**Final Exchange Bulletin**” has the meaning ascribed thereto in the Exchange Policies;
- (u) “**Insider**” has the meaning given to it in the Exchange Policies;
- (v) “**Investor Relation Activities**” has the meaning ascribed thereto in the Exchange Policies;
- (w) “**Management Company Employees**” means an individual employed by a company providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding Investor Relations Activities;
- (x) “**NI 45-106**” means National Instrument 45-106 – Prospectus and Registration Exemptions of the Canadian Securities Administrators as may be amended, restated and/or supplanted from time to time;
- (y) “**Option**” means an option to purchase Common Shares from the treasury of the Company granted to a Participant pursuant to this Plan;
- (z) “**Option Price**” means the exercise price per share at which a Participant may exercise any Option and thereby purchase Option Shares;
- (aa) “**Option Shares**” means the Common Shares of the Company which a Participant is entitled to purchase pursuant to the exercise of any Options;
- (bb) “**Outstanding Issue**” means the number of Common Shares that are outstanding at any given date;
- (cc) “**Participant**” means any Director, Employee and/or Consultant to whom an Option is granted pursuant to the Plan and remains unexercised;
- (dd) “**Plan**” means this Tweed Marijuana Inc. Stock Option Plan, as may be amended and restated from time to time;
- (ee) “**Post-Blackout Period Price**” means the Closing Price on the first Business Day following the date on which the relevant Blackout Period has expired, unless the relevant grant of Options occurs after the close of trading on the Date of Grant, in which case the Post-Blackout Period Price shall be equal to the Closing Price on the Date of Grant;
- (ff) “**Qualifying Transaction**” has the meaning ascribed thereto in the Exchange Policies;

- (gg) “**Related Entity**” has the meaning ascribed thereto by NI 45-106;
- (hh) “**Stock Option Agreement**” means the stock option agreement to be entered into between the Company and a Participant of the Plan, substantially in the form annexed as Schedule “A” hereto, upon the grant of an Option to a Participant, and any other agreements entered into between the Company and a Participant relating to the terms and conditions of that Participant’s Options;
- (ii) “**Stock Option Purchase Form**” means the stock option purchase form to be executed by a Participant upon the exercise of an Option substantially in the form annexed as Schedule “B” hereto; and
- (jj) “**Vesting Period**” means the period(s) referred to in Section 6 hereof (or such other period(s) as may be set out in the Stock Option Agreement of a Participant) that determines when a Participant may purchase the Option Shares.

3. Eligibility

Participation in the Plan shall be limited to Participants who are designated from time to time by the Committee. Participation shall be voluntary and the Committee shall determine the extent to which any Participant shall be entitled to participate in the Plan.

4. Number of Option Shares and Limitations on Issuance

Subject to adjustment in accordance with Section 6 or 9 hereof, the number of Option Shares issuable under this Plan at any particular date shall be ten percent (10%) of the Outstanding Issue at such date, provided that any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the Plan, any exercises of Options will make new grants available under the Plan effectively resulting in a re-loading of the number of Options available to grant under the Plan.

No fractional shares may be purchased or issued hereunder. Subject to the foregoing, the number of Option Shares that a Participant is entitled to purchase under the Plan will be determined by the Committee. In addition, during a Blackout Period, the Committee may determine the number of Option Shares that a Participant is entitled to be granted under the Plan and may authorize the Chief Executive Officer of the Company to grant such Options to such Participants on the second Business Day following the date on which the relevant Blackout Period has expired.

If the Common Shares are listed for trading on the Exchange, the following restrictions shall apply to this Plan as well as all other plans or stock option agreements to which the Company may be a party:

- (i) the Common Shares reserved for issuance to Insiders shall not exceed ten percent (10%) of the Outstanding Issue at the date of grant (on a non-diluted basis);
- (ii) the Common Shares reserved for issuance to Insiders within any twelve (12) month period shall not exceed ten percent (10%) of the Outstanding Issue at the date of the grant (on a non-diluted basis);
- (iii) the Common Shares reserved for issuance to any one Participant (other than a

Consultant) within any twelve (12) month period shall not exceed five percent (5%) of the Outstanding Issue at the date of the grant (on a non-diluted basis);

- (iv) the Common Shares reserved for issuance to any one Consultant within any twelve (12) month period shall not exceed two percent (2%) of the Outstanding Issue at the time of the grant (on a non-diluted basis);
- (v) the Common Shares reserved for issuance to an Employee conducting Investor Relations Activities within any twelve (12) month period shall not exceed more than an aggregate of two percent (2%) of the Outstanding Issue at the time of the grant (on a non-diluted basis); provided however that, while the Company is a Capital Pool Company (as such term is defined in the Exchange Policy 2.4), no Options may be granted to any person providing Investor Relation Activities, promotional or market-making services; and
- (vi) all Option grants pursuant to this Plan shall be subject to the Exchange Policies.

5. Exercise Price for Option Shares

Subject to the Exchange Policies, the Committee shall advise each Participant designated to participate in the Plan of the number of Option Shares such Participant is entitled to purchase and the Option Price at which the Option Shares may be purchased and the Vesting Period. The Option Price at which the Option Shares may be purchased under the Plan shall not be less than the greater of (i) \$0.10, and (ii) the Discounted Market Price of the Common Shares. The Company must obtain disinterested shareholder approval for any reduction in the Option Price of an Option that is held by an insider of the Company. Notwithstanding the foregoing, if, during a Blackout Period, the Committee has determined the number of Option Shares that a Participant is entitled to purchase under the Plan and has authorized the Chief Executive Officer of the Company to grant such Options to such Participants on the second Business Day following the date on which the relevant Blackout Period has expired, the Option Price for such Option Shares shall be equal to the Post-Blackout Period Price.

6. Vesting

Unless otherwise approved by the Board and agreed to in writing by the Company in the Stock Option Agreement to be executed by a Participant, the Options granted under the Plan must be exercised within a period of six (6) years from the Date of Grant, failing which the Option shall expire; provided that, should the expiry date of any vested Option fall on, or within nine (9) trading days immediately following, a date upon which a Participant is prohibited from exercising such Option due to a Blackout Period or other trading restriction imposed by the Company, then the expiry date of such Option shall instead be ten trading days following the date the relevant Blackout Period or other trading restriction imposed by the Company is lifted, terminated or removed.

Unless otherwise approved and/or amended by the Board and specifically set forth in a Stock Option Agreement, the vesting periods within this six (6) year period during which Option Shares or a portion thereof vest and may be exercised by a Participant shall be as follows:

- (a) 25% of the Options granted shall vest on the first anniversary of the Date of Grant; and

- (b) 6.25% of the Options granted shall vest on the first day of each calendar quarter following the first anniversary of the Date of Grant;

so that on the fourth anniversary of the Date of Grant, all of the Options granted will have vested and will be exercisable until the sixth anniversary of the Date of Grant.

Notwithstanding any particular Vesting Period the Board may, in its sole discretion, by written notice to any Participant, accelerate the vesting of all or any portion of any Option so that any such Option may become immediately fully vested and exercisable. In such circumstances, the Board may by written notice require a Participant to exercise any such Option within 30 days of the date of such written notice, failing which exercise such Participant's right to exercise such Option and purchase the Option Shares underlying such Option shall immediately lapse and be of no further force or effect.

Notwithstanding any particular Vesting Period, in the event of a Change in Control, the Board may, in its sole discretion and without any action or consent required on the part of any Participant and notwithstanding any Stock Option Agreement, deal with the Options granted under the Plan in the manner it deems fair and reasonable in light of the circumstances of the Change in Control, including, without limiting the generality of the foregoing:

- (a) Accelerating the vesting of any or all outstanding Options to provide that such outstanding Options shall be fully vested and conditionally exercisable upon (or prior to) the completion of the Change in Control, provided, however, that the Board shall not, in any case, authorize the exercise of Options pursuant to this Section beyond the date of expiry of such Options. Unless otherwise determined by the Board, if the Board elects to accelerate the vesting of any Options, and if any such Options are not exercised within ten (10) Business Days following the giving of the notice contemplated below, such unexercised Options shall terminate and expire upon the completion of the proposed Change in Control. If, for any reason, the Change in Control does not occur within the contemplated time period, the acceleration of the vesting of the Options shall be retracted and vesting shall instead revert to the manner provided in the second paragraph of this Section.
- (b) To the extent that the Change in Control would also result in a capital reorganization, arrangement, amalgamation or reclassification of the share capital of the Company and the Board does not accelerate the vesting of Options pursuant to this Section, the Company shall make adequate provisions to ensure that, upon completion of the proposed Change in Control, the number and kind of shares subject to outstanding Options and/or the Option Price per share of Options shall be appropriately adjusted in such manner as the Board considers equitable to prevent substantial dilution or enlargement of the rights granted to Participants.

Upon the Company entering into an agreement relating to and publicly announcing a transaction which, if completed, would result in a Change in Control, the Company shall give written notice of the proposed Change in Control to each Participant that holds Options at such date, together with a description of the effect of such Change in Control on outstanding Options, not less than ten (10) Business Days prior to the closing of the transaction resulting in the Change in Control

7. Payment and Conditions of Exercise of Options

Subject to Section 6, from time to time and at any time after the vesting of any Options and prior to the lapse of such Options, a Participant may elect to purchase all or a portion of the Option Shares available for purchase by delivering to the Company a completed Stock Option Purchase Form and payment in full of the purchase price for such Option Shares. Such Stock Option Purchase Form shall specify the number of Option Shares the Participant desires to purchase. Payment may be made certified cheque, bank draft or money order payable to the order of Tweed Marijuana Inc. No Option shall be exercised before the Completion of the Qualifying Transaction unless the Participant agrees in writing to deposit the Common Shares acquired into escrow until the issuance of the Final Exchange Bulletin.

In the event that the Option Shares are not listed on the Exchange as at the date of an exercise of an Option, it shall be a condition precedent to the exercise of any Option that the Participant agree to be bound by the terms of any unanimous shareholders agreement or similar agreements generally applicable to all of the shareholders of the Company then in force, and further that the Participant agree to enter into voting trust generally applicable to employee shareholders of the Company then in force and provide a power of attorney in support of such voting trust.

8. Share Certificates

Upon exercise of the Option and payment in full of the purchase price the Company shall cause to be delivered to the Participant within a reasonable period of time a duplicate certificate or certificates in the name of the Participant representing the number of Option Shares the Participant has purchased. In the event that the Shares are not listed on the Exchange as at the date of an exercise of an Option, the original share certificate(s) may be held in trust by the Company, to ensure compliance with the terms and conditions of the Plan, the Stock Option Agreement, and any shareholders agreement of the Company in effect and applicable to the Participant at such time.

9. Adjustment in Shares

Appropriate adjustments in the number of Common Shares subject to the Plan and, as regards Options granted or to be granted, in the number of Common Shares optioned and in the Option Price, shall be made by the Committee to give effect to adjustments in the number of Common Shares resulting from sub-divisions, consolidations or re-classifications of the Common Shares or other relevant changes in the authorised or issued capital of the Company.

Furthermore, in the event of a Change in Control, the Board may, in its sole discretion, deal with the Options issued under the Plan in the manner it deems fair and reasonable in light of the circumstances of the change, including without limitation, taking any of the actions outlined in Section 6 hereof and/or making such other adjustments to the number and kind of shares which thereafter may be offered and sold to Participants under the Plan as it may deem equitable.

10. Termination of Participant

Unless otherwise approved by the Board or agreed to in writing by the Company in the Stock Option Agreement to be executed by a Participant, the following terms shall apply:

- (a) In the event that:
 - (i) a Participant's employment with the Company or any of its subsidiaries is terminated; or
 - (ii) the services with the Company or any of its subsidiaries of a Participant who is a Consultant are terminated; or
 - (iii) a Participant who is a Director shall cease to be a Director (provided that if the Director is also an Employee, clause (i) must also apply)

for any reason other than (A) for cause (as defined in accordance with a Participant's employment or other applicable agreement, or, if not so defined, as determined by applicable law) or (B) as a result of death or disability of a Participant (any such event being referred to as a "**Termination without Cause**"), then this Section 10(a) shall apply. The date on which a Participant is notified of a Termination without Cause is hereinafter referred to in this Section 10(a) as the "**Termination Date**". On a Termination without Cause, a Participant may exercise the Option to purchase any Option Shares that have vested prior to the Termination Date for a period of ninety (90) days following after the Termination Date (but in no event after the expiry of any Options held). Upon the expiry of such 90-day period, all unexercised Options held by the Participant shall lapse. For the purposes of this Plan, the transfer of the Employee's employment to the Company from any Related Entity or from the Company to any Related Entity of the Company shall not be considered a termination of employment and the Employee's rights under the Option shall be the same as if such transfer had not occurred. In the event that the Participant has violated any obligations to the Company set out in any agreements with the Company (or applicable at law) pertaining to (i) non-disclosure of the confidential information of the Company, (ii) ownership of inventions, or (iii) dealings with employees or customers of the Company, then all unexercised options which have otherwise vested in the Participant shall become immediately null and void and neither exercisable or enforceable.

- (b) In the event that an Employee's employment or Consultant's services with the Company or any of its subsidiaries is terminated by reason of death or disability or a Director shall cease to be a Director on the Board by reason of death or disability, then the applicable Participant, or the Participant's personal representatives, may exercise the Option for any Option Shares that have vested at the time such employment, services or board position is terminated at any time during the ninety (90) day period following the date of such termination of

employment, services or Board position (but in no event after the expiry of any Options held), and upon the expiry of such 90-day period, all unexercised Options held by the Participant (or the Participant's personal representatives, as applicable) shall lapse.

- (c) In the event that an Employee's employment or Consultant's services with the Company or any of its subsidiaries is terminated for cause or a Director shall cease to be a Director for breach of fiduciary duty (as defined in accordance with the Participant's employment or other applicable agreement, or, if not so defined, as determined by applicable law), then all vested and unexercised Options held by the Participant shall lapse immediately upon the delivery to the Participant of the notice of termination.

Notwithstanding the provisions of this Section 10, the Board of Directors may, in its discretion, at any time prior to or following the events contemplated in this Section 10, permit the exercise of any or all Options held by a Participant in the manner and on the terms authorized by the Board, provided that the Board shall not, in any case, authorize the exercise of an Option pursuant to this Section 10 beyond (i) the expiration of the exercise period of the particular Option, or (ii) one (1) year from the Termination Date or the termination of employment, services or Board position.

11. Transfer and Assignment

Subject to Section 10 hereof, Options granted under this Plan may only be exercised during the lifetime of a Participant by such Participant personally and no assignment or transfer of Options, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Options whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Options will terminate and be of no further force or effect. The obligations of each Participant shall be binding on his or her heirs, executors and administrators.

12. Employment, Consulting and Board Position Non-Contractual

The granting of an Option to a Participant under the Plan does not confer upon the Participant any right to continue in the employment of the Company or any of its subsidiaries, or as a member of the Board, as the case may be, nor does it interfere in any way with the rights of the Employee or Consultant or of the Company's rights to terminate the Employee's employment or Consultant's services at any time or of the shareholders' right to elect directors.

13. Rights and Obligations as Shareholders

Participants shall not have any rights as a shareholder with respect to Option Shares until:

- (a) full payment has been made to the Company;
- (b) a share certificate or share certificates have been duly issued; and
- (c) the Participant becomes a party to any existing unanimous shareholders' agreement and/or any other agreement or voting trust generally applicable to Employees and/or Consultants of the Company.

14. Administration and Application of The Plan

The Plan shall be administered by the Committee. The Committee shall have the power to interpret and construe the terms and conditions of the Plan and the Options. Any determination by the Committee shall be final and conclusive on all persons affected thereby unless otherwise determined by the Board. The day-to-day administration of the Plan may be delegated to such officers and employees of the Company or any Related Entity of the Company, or to such outside advisors or consultants to the Company, as the Committee shall determine. In the Stock Option Agreement applicable to a Participant, the Company may modify the terms of this Plan applicable to such Participant, provided that the approval of the Board is obtained for any such modifications and provided further that such modifications are permissible under securities legislation and, if the Common Shares are listed for trading on the Exchange, the rules of the Exchange.

15. Notices

All written notices to be given by a Participant to the Company may be delivered personally or by registered mail, postage prepaid, addressed as follows:

Tweed Marijuana Inc.
1 Hershey Drive
Smiths Falls, Ontario
Canada, K7A 0A8

Attention: CFO

Any notice given by a Participant pursuant to the terms of the Option shall not be effective until actually received by the Company at the above address. Any notice to be given to a Participant shall be sufficiently given if delivered personally (which shall be deemed to be effective at the time of delivery), by facsimile transmission or electronic mail (which shall be deemed to be effective one day after transmission), or by postage prepaid mail to the last address of the Participant on the records of the Company (which shall be deemed to be effective five days after mailing).

16. Corporate Action

Nothing contained in the Plan or in the Option shall be construed so as to prevent the Company or any Related Entity of the Company from taking corporate action that is deemed by the Company or the Related Entity to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan.

17. Amendments

The Board shall have the right, in its sole discretion, to amend, suspend or terminate this Plan or any portion thereof at any time, in accordance with applicable legislation, without obtaining the approval of shareholders; provided that any amendment to any provision of the Plan will be subject to any required regulatory approval and the provisions of applicable law, if any, that require the approval of shareholders. Notwithstanding the foregoing, if the Common Shares are

listed for trading on the Exchange, the Company will be required to obtain the approval of the shareholders of the Company for any amendment related to: (i) the maximum number or percentage of Common Shares issuable under the Plan; (ii) a reduction in the Option Price of outstanding Options or cancellation of Options for the purpose of issuing new Options; (iii) an extension to the term of outstanding Options; (iv) increasing limits on non-employee director participation; (v) Section 4 of the Plan which would increase the number of Common Shares reserved for issuance to any one (1) Participant within any one year period, would increase the number of Common Shares reserved for issuance to insiders, at any time, or issued to insiders within any one year period, under the Plan; or (vi) Section 11 which would allow an Option holder to transfer Options other than by will or pursuant to laws of succession. Subject to compliance with the applicable rules of the Exchange, no amendment, suspension or termination will alter or impair any Options under the Plan, or any rights pursuant thereto, granted previously to any Participant without the consent of that Participant.

Notwithstanding any other provision of this Plan, if the Common Shares are listed for trading on the Exchange, the Option Price of any Options granted under this Plan must not be less than the greater of (i) \$0.10, and (ii) the Discounted Market Price of the Common Shares.

18. Termination Of Plan

The Plan will terminate and, for greater certainty, all unexercised Options shall terminate and expire on the earliest of: (i) the date upon which no further Common Shares remain available for issuance pursuant to Options which may be granted under the Plan and no Options remain outstanding; (ii) if the Board of Directors accelerates the vesting of Options pursuant to any Change in Control, then upon the occurrence of such Change in Control, unless renewed for such further period and upon such terms and conditions as the Board may determine; and (iii) the tenth anniversary of the Plan.

19. Governing Law

The Plan is established under the laws of the Province of Ontario and the rights of all parties and the construction and effect of each provision of the Plan shall be according to the laws of the Province of Ontario and the federal laws of Canada applicable therein.

20. Government Regulation

The Company's obligation to issue and deliver Common Shares under any Option is subject to:

- (a) the satisfaction of all requirements under applicable securities law in respect thereof and obtaining all regulatory approvals as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof, including shareholder approval, if required;
- (b) the receipt from a Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities law of any jurisdiction; and

- (c) the admission of such Option Shares to listing on any stock exchange on which Option Shares may then be listed.

In this connection, the Company shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares in compliance with applicable securities law and for the listing of such Common Shares on any stock exchange on which such Common Shares are then listed.

22. Withholding Taxes

The exercise of each Option granted under this Plan is subject to the condition that if at any time the Company determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Company. In such circumstances, the Company may require that a Participant pay to the Company, in addition to and in the same manner as the Option Price for the Option Shares, such amount as the Company is obliged to remit to the relevant taxing authority in respect of the exercise of the Option. Any such additional payment is due no later than the date as of which any amount with respect to the Option exercised first becomes includable in the gross income of the Participant for tax purposes.

23. Compliance with Exchange Rules

The Board may make changes to the terms of any Options or this Plan to the extent necessary or desirable to comply with any rules, regulations or policies of the Exchange, provided that the value of previously granted Options and the rights of Participants are not materially adversely affected by any such changes.

24. Incentive Stock Options (US Participants)

The following provisions shall apply, in addition to the other provisions of this Plan that are not inconsistent therewith, to Options intended to qualify as incentive stock options (each, an "ISO") under Section 422 of the United States' Internal Revenue Code of 1986, as amended (the "Code"):

- (a) Options may be granted as ISOs only to individuals who are employees of the Company or any present or future "subsidiary corporation" or "parent corporation" as those terms are defined in Section 424 of the Code (collectively, "Related Corporations") and Options shall not be granted as ISOs to non-employee Directors or independent contractors;
- (b) for purposes of Sections 4.6 and 4.7 hereof, "disability" in respect of an Participant shall mean "permanent and total disability" as defined in Section 22(e)(3) of the Code;
- (c) if a Participant ceases to be employed by the Company and/or all Related

Corporations other than by reason of death or disability, Options shall be eligible for treatment as ISOs only if exercised no later than three (3) months following such termination of employment;

- (d) the Option Price in respect of Options granted as ISOs to employees who own more than ten percent (10%) of the combined voting power of all classes of stock of the Corporation or a Related Corporation (a “10% Stockholder”) shall be not less than one hundred and ten percent (110%) of the fair market value per Common Share on the Date of Grant and the term of any ISO granted to a 10% Stockholder shall not exceed five (5) years measured from the Date of Grant;
- (e) Options held by a Participant shall be eligible for treatment as ISOs only if the fair market value (determined at the Date of Grant) of the Common Shares with respect to which such Options and all other options intended to qualify as “incentive stock options” under Section 422 of the Code held by such individual and granted under the Plan or any other plan of the Company or a Related Corporation and which are exercisable for the first time by such individual during any one calendar year does not exceed US\$100,000 at such time;
- (f) by accepting an Option granted as an ISO under the Plan, a Participant agrees to notify the Company in writing immediately after such Participant makes a “Disqualifying Disposition” of any Common Shares acquired pursuant to the exercise of such ISO; for this purpose, a Disqualifying Disposition is any disposition occurring on or before the later of (a) the date two (2) years following the date that such ISO was granted or (b) the date one (1) year following the date that such ISO was exercised;
- (g) notwithstanding that the Plan shall be effective when adopted by the Board, no ISO granted under the Plan may be exercised until the Plan is approved by the Company’s shareholders and, if such approval is not obtained within twelve (12) months after the date of the Board’s adoption of the Plan, then all ISOs previously granted shall terminate and cease to be outstanding and the provisions of this Section 4.12 shall cease to have effect; furthermore, the Board shall obtain shareholder approval within twelve (12) months before or after any increase in the total number of shares that may be issued under the Plan or any change in the class of employees eligible to receive ISOs under the Plan;
- (h) no modification of an outstanding Option that would provide an additional benefit to a Participant, including but not limited to a reduction of the Option Price or extension of the exercise period, shall be made without consideration and disclosure of the likely United States federal income tax consequences to the Participants affected thereby; and

- (i) ISOs shall be neither transferable nor assignable by the Participant other than by will or the laws of descent and distribution and may be exercised, during the Participant's lifetime, only by such Participant.

Notwithstanding anything in this Section 24, the Company makes no representation or warranty to any Participant that any Option will, at the date hereof of any time in future, qualify as an ISO under the Code and each Participant specifically acknowledges this limitation.

25. Indemnification

Every Director will at all times be indemnified and saved harmless by the Company from and against all costs, charges and expenses whatsoever including any income tax liability arising from any such indemnification, that such Director may sustain or incur by reason of any action, suit or proceeding, taken or threatened against the Director, otherwise than by the Company, for or in respect of any act done or omitted by the Director in respect of this Plan, such costs, charges and expenses to include any amount paid to settle such action, suit or proceeding or in satisfaction of any judgment rendered therein.

26. Grants to Participants

If Options are granted to an Employee, Consultant or Management Company Employee, the Company represents that such person is a bona fide Employee, Consultant or Management Company Employee, as the case may be, and is otherwise eligible to participate under the Plan, at the time such Options are granted.

27. Participation in the Plan

The participation of any Participant in the Plan shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Common Shares. The Company does not assume responsibility for the income or other tax consequences for the Participants and they are advised to consult with their own tax advisors.

24. Effective Date

This Plan is effective as of December 16, 2009.

EXHIBIT "A"

TWEED MARIJUANA INC.

Stock Option Plan – Stock Option Agreement

Date: _____

Dear _____:

LW Capital Pool Inc. (the "**Company**") is pleased to grant you an option (the "**Option**") to purchase _____ Common Shares of the Company (the "**Option Shares**") at a price of CDN \$____ per share under the terms of the Tweed Marijuana Inc. Stock Option Plan (the "**Plan**"). This grant recognizes your contribution to date as well as our expectation that you will have a positive impact on the Company's future success. The terms of the Plan, a copy of which is attached to this Stock Option Agreement, are incorporated herein by reference. Any capitalized terms that are not otherwise defined herein shall have the same meaning as in the Plan.

Subject to the terms of the Plan, this Option can be exercised until the sixth anniversary of the date of grant (the "**Expiry Date**"), which appears on the left hand corner of this Stock Option Agreement, failing which your right to purchase the Option Shares issuable upon exercise of this Option lapses. This Option shall be subject to the following vesting periods prior to the Expiry Date: (a) this Option cannot be exercised prior to the first anniversary of the Date of Grant, and on the first anniversary of the Date of Grant and thereafter, this Option may be exercised to acquire up to an aggregate of 25% of the total number of Option Shares; (b) 6.25% of the Options granted shall vest on the first day of each calendar quarter following the first anniversary of the Date of Grant; and (c) as of the fourth anniversary of the Date of Grant and thereafter, this Option may be exercised to acquire up to an aggregate of 100% of the total number of Option Shares. Notwithstanding the foregoing, in accordance with the Plan the Board may alter or accelerate the vesting schedule of this Option in any circumstances that it deems appropriate and the Board may also force the exercise of this Option within a time period that it deems appropriate.

No Option Shares will be issued pursuant to the exercise of this Option unless and until you pay to the Company, or make provision satisfactory to the Company for payment of, any federal, provincial/state or local withholding taxes required by law to be withheld in respect of this Option. In addition, in the absence of a specific exemption by the Committee, no Option Shares will be issued pursuant to the exercise of this Option unless and until you execute any existing unanimous shareholders' agreement and/or any other agreement or voting trust and related power of attorney generally applicable to Employees and/or Consultants of the Company. The Option Shares issuable upon exercise of this Option are subject to any applicable restrictions on transfer.

Except as stipulated pursuant to the Plan, this Option may not be sold, assigned, transferred, pledged or otherwise encumbered by you, either voluntarily or by operation of law, and, during your lifetime, this Option shall be exercisable only by you.

The Company views the grant of this Option and the terms thereof as confidential and intends to maintain such confidentiality unless and until disclosure is required under applicable law. By accepting this grant, you hereby agree to maintain such confidentiality and to not disclose the existence of this grant nor the terms thereof to other employees of the Company or otherwise.

Please refer to the Plan for additional information regarding the exercise of the Option and completion of the Option Exercise Form. Please execute a copy of this Stock Option Agreement where indicated below to acknowledge your acceptance of the terms hereof and deliver it to the Company, Attn: Deborah Weinstein at:

1Hershey Drive
Smiths Falls, Ontario
Canada, K7A 0A8

Sincerely,

TWEED MARIJUANA INC.

Per: _____
Authorized Signatory

I have read, understood and accept the vesting provisions above and each of the terms and conditions described in a document called the Tweed Marijuana Inc. Stock Option Plan and accept the foregoing grant of options on such basis.

DATED the _____ day of _____, 20__.

Signature

EXHIBIT "B"

TWEED MARIJUANA INC.

Stock Option Purchase Form

Part 1: Identification

Name of the Participant		Relationship to the Company
Address		Office Phone Number
Social Insurance Number		Home Phone Number

Part 2: Option

I hereby exercise the Option granted to me by a Stock Option Agreement dated _____ under the Tweed Marijuana Inc. Stock Option Plan, as amended and restated from time to time (the "**Plan**") in order to purchase _____ Option Shares. Any capitalized terms which are not otherwise defined herein shall have the same meaning as in the Plan.

I enclose the aggregate purchase price for Option Shares of Cdn.\$ _____ (must be paid in CDN dollars in cash, or by cheque, bank draft or money order payable to the order of the Company).

I hereby acknowledge that I have read, understood and accepted each and all the conditions described in the Plan.

I hereby covenant, at the request of the Company, to pay to the Company, or make provision satisfactory to the Company for payment of, any federal, provincial/state or local withholding taxes required by law to be withheld in respect of the Option, prior to the issuance of such Option Shares.

Given at _____, this ___ day of _____, _____.

Signature of Participant

SCHEDULE “C”

TWEED MARIJUANA INC. (the “Company”)

AUDIT COMMITTEE CHARTER

1. Mandate

The audit committee will assist the board of directors (the “**Board**”) in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the company’s business, operations and risks.

2. Composition

The audit committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Company. If the Company ceases to be a “venture issuer” as that term is defined in *National Instrument 52-110 – Audit Committees* (“**NI 52-110**”), then all of the members of the audit committee shall be free from any material relationship with the Company within the meaning of NI 52-110.

2.2 Financial Literacy of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. A person is generally considered “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

2.3 Replacement of Committee Members

Any member of the audit committee may be removed or replaced at any time by the Board and automatically ceases to be a member of the audit committee upon ceasing to be a director.

The Board may fill vacancies on the audit committee by appointing another director to the committee. The Board will fill any vacancy if the membership of the audit committee is less than three directors. Whenever there is a vacancy on the audit committee, the remaining members may exercise all of the committee’s powers as long as a quorum remains in office. Subject to the foregoing, the members of the audit committee will be appointed by the Board annually, and each member of the committee will remain on the committee until the next annual meeting of shareholders after his or her appointment or until his or her successor is duly appointed and qualified.

2.4 Chair

The Chair shall be responsible for leadership of the audit committee, including overseeing the scheduling and preparation of meetings, presiding over meetings, and making regular reports to the Board. The Chair will also regularly liaise with the Chief Executive Officer and Chief Financial Officer of the Company and the lead partner of the Company's external auditors.

3. Meetings

The audit committee will meet regularly at times necessary to perform the duties described in this Charter in a timely manner, but not less than four times a year. Meetings may be held at any time deemed appropriate by the committee. The audit committee may meet in person and/or by telephone or electronic means and, other than with respect to the review of the audited financial statements and the notes and Management's Discussion and Analysis relating to such financial statements with management and the independent auditor, may act by means of a written resolution signed by all members entitled to vote on the matter.

The audit committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions, and will meet without management present at every regular meeting.

A majority of the members of the audit committee constitute quorum.

4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The external auditor shall report directly to the audit committee. The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company;
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls
- (c) review and discuss with management and the external auditor the nature and appropriateness of the Company's systems to identify, assess and mitigate significant business risks and discuss with the external auditor management's responses to the external auditor's advice regarding management and internal controls.

4.3 Financial Reporting

The audit committee shall review the Company's financial statements, Management's Discussion and Analysis ("MD&A") and other financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions;
- (b) review with management and the external auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements; and
- (c) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

- (a) review the Company's draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (c) review the Company's MD&A respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

- (a) review and approve the Company's interim financial statements prior to their release to the public; and

- (b) review the Company's MD&A respecting the interim reporting period prior to its release to the public.

Release of Financial Information

- (a) where reasonably possible, review and approve all other public disclosure, including news releases, containing financial information prior to its release to the public; and
- (b) periodically assess the procedures for the review of disclosure of financial information (other than that set forth under the headings "Annual Financial Statements" and "Interim Financial Statements" above) extracted or derived from the financial statements.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Delegation of Authority

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

- (a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
 - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided;
 - (ii) the Company or its subsidiary did not recognize the services as non-audit services at the time of the engagement; and
 - (iii) the services are promptly brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated by the audit committee.

Pre-Approval Policies and Procedures

- (a) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
 - (i) the pre-approval policies and procedures are detailed as to the particular service;

- (ii) the audit committee is informed of each non-audit service; and
- (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 Other Responsibilities

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board;
- (f) review and approve hiring policies regarding partners, employees and former partners and employees of the present and former external auditor;
- (g) review and update this Charter and receive approval of changes to this Charter from the Board;
- (h) review and discuss with management the appointment of the Chief Financial Officer of the Company and any other key financial executives of the Company and recommend qualified candidates to the Board, as appropriate

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

The audit committee shall have full access to all books, records, facilities and personnel of the Company in connection with the performance of its duties.

Nothing in this Charter is intended or construed to impose on any member of the audit committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject. Each member of the audit committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Company from whom he or she receives financial and other information, and the accuracy of the information provided to the Company by such persons or organizations.

While the audit committee has the responsibilities and powers set forth in this Charter, it is not the duty of the committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and in accordance with International Financial Reporting Standards in Canada and applicable rules and regulations, which duties are the responsibility of management and the external auditors

**SCHEDULE “D”
STOCK OPTION RESOLUTION**

“BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

1. The stock option plan (the “**Stock Option Plan**”) of the Corporation and the reservation for issuance thereunder of up to 10% of the aggregate number of common shares of the Corporation as are issued and outstanding from time to time, is hereby approved, ratified and confirmed.
2. The Stock Option Plan be authorized and approved as the stock option plan of the Corporation, subject to any limitations imposed by applicable regulations, laws, rules and policies.
3. Any officer or director of the Corporation is authorized and directed to execute and deliver, under corporate seal or otherwise, all such documents and instruments and to do all such acts as in the opinion of such officer or director may be necessary or desirable to give effect to this resolution.”