

Offering Memorandum

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. The information disclosed on this page is a summary only. Purchasers should read the entire Offering Memorandum for full details about the Offering. This is a risky investment. See ITEM 8 Risk Factors.

Date: April 3, 2019
 The Issuer: Transition Innovation Income Trust (the “Trust” or the “Issuer”)
 Address: 1686, chemin Laliberté, Sherbrooke,
 Québec, J1R 0C5
 Phone: 819-820-9777
 Fax: 819-564-3293
 Email: communications@guillaumecote.ca

Currently listed or quoted? **No. These securities do not trade on any exchange or market.**
 Reporting Issuer? No.
 SEDAR filer? No.

The Offering

Securities Offered	Trust units (the “Units”) See Item 5.1 Terms of Securities for the terms of the Units. For details regarding the expected return on the Units, see Appendix A to the Offering Memorandum – Trust Structure
Price Per Security	\$10 per Series 1 or Series 5 Unit \$10 for 1.06 Series 2 or Series 6 Unit
Minimum Offering	\$100,000 JMS International Packaging \$250,000 Cannasher
Maximum Offering	\$5,000,000 JMS International Packaging \$25,000,000 Cannasher
Minimum Subscription Amount Per Subscriber	\$2,500 JMS International Packaging \$5,000 Cannasher
Payment Terms	Payment in full by wire transfer of the subscription price is to be made with the delivery of a duly executed and completed Subscription Agreement. See Item 5.2 Subscription Procedure.
Proposed Closing Date(s)	Closings will take place periodically at the Trust’s discretion with the Minimum Offering to occur on or before April 30, 2019.
Income Tax Consequences	There are important tax consequences to investors holding Units. See ITEM 6 Income Tax Consequences and Deferred Plan Eligibility.
Purchasers’ Rights	You have 2 business days to cancel your Subscription Agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the Subscription Agreement. See ITEM 11 Purchasers’ Rights.
Resale Restrictions	You will be restricted from selling your securities for an indefinite period. You will not be able to sell these securities except in very limited circumstances. You may never be able to resell these securities. See ITEM 10 Resale Restrictions.
Redemption Limitations	While your Units are redeemable, there are certain circumstances in which the Redemption Amount may not be paid in cash, rather paid in notes that are not “qualified investments” for a Deferred Plan, see Item 6 – Income Tax Consequences and Deferred Plan Eligibility and Item 8 – Risk Factors.
Selling Agents	Where allowed by applicable securities legislation, the Trust intends to offer compensation of up to 6% for the first three years plus 1% for each of the following four civil semester, for a maximum total of 10% of the gross proceeds realized on the sale of Series 1 and Series 5 Units under this Offering to any one of, or a combination of, the following parties: investment dealers, exempt market dealers and/or their dealing representatives, parties related to the Trust and employees and/or contractors of such parties. See ITEM 7 Compensation Paid To Sellers And Finders.

TRANSITION INNOVATION INCOME TRUST COPY

Please print your name, sign and date below, and submit this page with your Subscription Agreement.

Investor Name: _____ **Investor Signature:** _____ **Date:** _____

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Minimum Subscription Amount Per Subscriber	\$2,500 JMS International Packaging \$5,000 Cannasher
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INVESTOR COPY

Please retain this complete copy of the Offering Memorandum for your records.

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NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Offering Memorandum may be forward-looking. Such statements include those with respect to the Trust's business plans and use of funds raised under this Offering Memorandum. Although the Trust believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurances that its expectations will be achieved. Such assumptions, which may prove incorrect, include the following: (i) the Trust will be successful in its efforts to pursue the business activities referred to in this Offering Memorandum, (ii) the Trust will be successful in its efforts to identify and secure subscribers hereunder, (iii) the subscribers hereunder will complete the subscriptions they have agreed to make under their subscription agreements, (iv) the Trust's trustees will not identify and pursue other business objectives using the proceeds of raised hereunder and (v) the Trust's revenues will remain sufficiently high and the costs of operating the Trust's business sufficiently low so as to permit the Trust to implement its business plans in a profitable manner. Factors that could cause actual results to differ materially from expectations include those described at **ITEM 8 Risk Factors**. No assurance can be given that any events anticipated by the forward-looking information in this press release will transpire or occur, or if any of them do so, what benefits that the Trust will derive therefrom. In particular, no assurance can be given as to the future financial performance of the Trust. The Trust disclaims any intention or obligation to update or revise any forward-looking statements in order to account for any new information or any other event, except as required under applicable law. The reader is warned against undue reliance on these forward-looking statements.

GLOSSARY OF TERMS

In this Offering Memorandum, unless the context otherwise requires, the following words and terms shall have the indicated meanings and grammatical variations of such words and terms shall have corresponding meanings:

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

“**Cape Cove**” means Cape Cove Financial Management Inc., a registered exempt market dealer in the provinces of Quebec, Ontario, Alberta, and British Columbia and an anticipated selling agent under the Offering.

“**Cannasher**” means Cannasher Inc., a corporation incorporated under the laws of Canada.

“**Cannasher LP**” means Cannasher Limited Partnership, a limited partnership constituted under the Cannasher LP Agreement in accordance with the Civil Code.

“**Cannasher LP Agreement**” means a partnership agreement dated August 20, 2018 between Distributions Jean Blanchard Inc. and Cannasher under which Cannasher LP is constituted.

“**Civil Code**” means the *Civil Code of Québec*.

“**Client’s Distributions**” means the aggregate of the amounts distributed from time to time by GP to Cannasher LP’s and JMS Packaging LP’s limited partners under the terms of the Cannasher LP Agreement and the JMS LP Agreement.

“**CRA**” means Canada Revenue Agency.

“**Declaration of Trust**” means the declaration of trust with respect to the Trust entered into on March 27, 2019.

“**Deferred Plan**” means a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan, a deferred profit sharing plan or a tax - free savings account, within the meaning of the Tax Act.

“**GAAP**” means, at any time, accounting principles generally accepted in Canada, including those set out in the Handbook of the Canadian Institute of Chartered Accountants.

“**GP**” means 10998494 Canada Inc., the general partner of Cannasher LP and JMS Packaging LP.

“**JMS International Packaging**” means JMS International Packaging Inc., a corporation incorporated under the laws of Canada.

“**JMS LP Agreement**” means a partnership agreement dated August 20, 2018 between Distributions Jean Blanchard Inc. and JMS International Packaging under which JMS Packaging LP is constituted.

“**JMS Packaging LP**” means JMS Packaging Limited Partnership, a limited partnership constituted under the JMS Packaging LP Agreement in accordance with the Civil Code.

“**Maximum Offering**” means an offering for total gross proceeds of \$5,000,000 for JMS International Packaging and an offering for total gross proceeds of \$25,000,000 for Cannasher.

“**Minimum Offering**” means an offering for total gross proceeds of \$100,000 for JMS International Packaging and an offering for total gross proceeds of \$250,000 for Cannasher.

“**NI 45-106**” means National Instrument 45-106 *Prospectus Exemptions*.

“**Non-Resident**” means: (i) a person (within the meaning of the Tax Act but, for greater certainty, not including a partnership) who is not resident in Canada for the purposes of the Tax Act; or (ii) a partnership that is not a “Canadian partnership” as defined in the Tax Act.

“**Offering**” means the offering of Units pursuant to the terms of this Offering Memorandum.

“**Offering Documents**” means any offering memorandum, prospectus or term sheet, and applicable subscription agreement prepared by the Trust in connection with a distribution of its securities.

“**Offering Jurisdictions**” means the provinces and territories of Canada.

“**Offering Memorandum**” means this offering memorandum dated April 3, 2019 as amended or supplemented.

“**OpTrust Declaration of Trust**” means the declaration of trust with respect to the Transition Innovation OpTrust entered into on March 27, 2019.

“**Redemption Expenses**” means the costs incurred by Cannasher LP and JMS Packaging LP, directly or indirectly, as a result of any redemption of units held by its special partners.

“**Regulations**” means the Tax Act regulations.

“**Structure Expenses**” means, without limitation, all fees and expenses incurred by GP, Cannasher LP, JMS Packaging LP, the Trust and Transition Innovation OpTrust (collectively, the “**Entities**”) relating to the maintenance of the limited partnership, trust or corporate status, as applicable, of the Entities or incurred in connection with the activities or the achievement of the objectives pursued by the Entities and the discharge of their respective obligations relating to such activities and the pursuit of such objectives.

“**Subscribers**” means parties who subscribe for Units pursuant to this Offering.

“**Subscription Agreement**” means the Subscription Agreement entered into between a Subscriber and the Trust with respect to the purchase of Units by a Subscriber under this Offering.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Transition Innovation OpTrust**” means Transition Innovation Operating Trust, a trust constituted under the Declaration of Trust in accordance with the Civil Code.

“**Trust**” means Transition Innovation Income Trust, a trust constituted under the Declaration of Trust in accordance with the Civil Code.

“**Unitholder**” means a holder of Units.

“**Units**” means units issued by the Trust from its capital, be Series 1, Series 2, Series 3, Series 4, Series 5, Series 6, Series 7, Series 8, Series 9, Series 10, Series 11 and Series 12 units.

In this Offering Memorandum, references to “dollars” and \$ are to the lawful currency of Canada, unless otherwise indicated.

ITEM 1 USE OF AVAILABLE FUNDS

1.1. Available Funds

The following table discloses the available funds of this Offering.

		Assuming Minimum Offering	Assuming Maximum Offering
A	Amount to be raised by issuance of this Offering	\$100,000 for JMS International Packaging. \$250,000 for Cannasher	\$5,000,000 for JMS International Packaging. \$25,000,000 for Cannasher
B	Selling Commissions and Fees ¹	\$10,000 for JMS International Packaging. \$25,000 for Cannasher	\$500,000 for JMS International Packaging \$2,500,000 for Cannasher
C	Estimated Offering Costs ⁽²⁾	\$40,000 for JMS International Packaging. \$160,000 for Cannasher	\$40,000 for JMS International Packaging. \$160,000 for Cannasher
D	Available funds: $D = A - (B + C)$	\$50,000 for JMS International Packaging. \$65,000 for Cannasher	\$4,460,000 for JMS International Packaging. \$22,340,000 for Cannasher
E	Additional sources of funding required	Nil ⁽³⁾	Nil ⁽³⁾
F	Working Capital Deficiency	Nil	Nil
G	Total: $G = (D + E) - F$	\$50,000 for JMS International Packaging. \$65,000 for Cannasher	\$4,460,000 for JMS International Packaging. \$22,340,000 for Cannasher

(1) Assuming a commission of 6% for the first three years plus 1% for each of the following four civil semester, for a maximum total of 10% of the gross proceeds of this Offering is paid by the Trust to parties who affect the sale of Series 1 and Series 5 Units under this Offering. See **ITEM 7 Compensation Paid To Sellers And Finders.**

(2) These fees include legal, audit, regulatory, valuation and other costs related to the Offering.

(3) The Trust does not anticipate requiring additional funds to pursue its business objectives.

1.2. Use of Available Funds

The following table provides a detailed breakdown of how the Trust will use the available funds of this Offering in the 12 months ensuing from the date of this Offering Memorandum:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
The Trust will use its available funds after this Offering to fund the operation of the business described in this Offering Memorandum. See Item 2.2 Our Business	\$50,000 for JMS International Packaging. \$65,000 for Cannasher	\$4,460,000 for JMS International Packaging. \$22,340,000 for Cannasher
Total	\$50,000 for JMS International Packaging. \$65,000 for Cannasher	\$4,460,000 for JMS International Packaging. \$22,340,000 for Cannasher

1.3. Reallocation

The Trust intends to use the available funds of this Offering as stated and will reallocate funds only for sound business reasons.

All funds available resulting from the issuance of Series 1 to Series 4 Units will be allocated to activities of Cannasher LP, all funds available resulting from the issuance of Series 5 to Series 8 Units will be allocated to activities of JMS International Packaging LP and all funds available resulting from the issuance of Series 9 to Series 12 Units will be allocated to activities of any limited partnership constituted by the Transition Innovation Optrust and GP in the future.

ITEM 2 BUSINESS OF THE TRUST

2.1. Structure

The Trust is a trust constituted under the Civil Code under the Declaration of Trust. The Trust's registered and head office is located at 1686, chemin Laliberté, Sherbrooke, Québec, J1R 0C5. The Trust is controlled by its trustees. For more details on the Trust's structure and operations see **Appendix A to the Offering Memorandum – Trust Structure**.

2.2. Our Business

The Trust is a newly-constituted entity whose purpose is to provide funding to Cannasher and JMS International Packaging through its indirect interest in Cannasher LP and JMS Packaging LP. Cannasher LP and JMS Packaging LP will grant a loan or subscribe to convertible debentures of Cannasher and JMS International Packaging (the “**Convertible Debentures**”). The Convertible Debentures's conversion will be restricted until Cannasher obtains its Health Canada Licences (the “**Licences**”) to produce and sell cannabis.

2.2.1. Cannasher

Cannasher is an advanced-stage Canadian cannabis production license applicant under the *Cannabis Act* (S.C. 2018, c. 16) and intends to provide high quality cannabis and research-oriented client advisory services.

Cannasher focuses on research and development of products that contain medical cannabis, extracts and oils. These products represent significant economic potential for the pharmaceutical, nutraceutical and dermo cosmetic industries.

As an innovative pharmaceutical company, Cannasher will:

- Cultivate high-quality standardized medical cannabis for best therapeutic results;
- Extract and fractionate oils rich in many cannabinoids: CBD, CBDA, THC, CBG, CBGA, CBC, CBDV, CFL, THCV, and different terpenes: myrcene, limonene, linalcol, pinene, carene;
- Promote science, innovation and R&D with the *Université de Sherbrooke* in plant genetics, molecular biology and pharmacology for different ailments: arthritis, chronic pain, MS, PTSD, depression, epilepsy, schizophrenia and more;
- Create a unique IP portfolio;
- Ensure standardized production of flowers, oils and extracts for clients/partners' formulations;
- Win the economic game (low cost of production) with its subsidiary PuriVerde in the Republic of Colombia;
- Benefit from collaboration of the Research Center of the Faculties of Medicine and Biology of the *Université de Sherbrooke*.

Cannasher has a 60% stake in its subsidiary, PuriVerde S.A.S., located in the Republic of Colombia. PuriVerde will be a medical cannabis producer built on the fact that Colombia possesses the ideal climate to cultivate medical cannabis, a deep talent pool of relevant expertise and a thoughtful regulatory framework. PuriVerde has obtained a License for the Manufacture of Cannabis Derivatives and a License for Non-Psychoactive Cannabis Cultivation as well as two other Licenses for the use of Cannabis Seeds and for Cultivation of Psychoactive Cannabis. PuriVerde's extraction facilities will be located in a 4,500 sq.ft. building in a secured zone in Rionegro (Antioquia), which will give it security and administrative benefits.

PuriVerde's indoor facility will consist of a scientific laboratory and extraction and distribution infrastructures. PuriVerde's products and services will comprise of CBD-focused formulas, extracts, oils, and will offer innovation and research-oriented client advisory services.

PuriVerde's strategy is to achieve low production costs with optimal growing conditions. PuriVerde will craft custom solutions matched to its clients/partners' specific CBD requirements. PuriVerde will do on-site extraction with its own machines, which makes it ready for exportation. PuriVerde also promotes biological, pre-clinical and clinical research with strategic partners such as universities and clinics. PuriVerde also positions itself as a partner for small and medium growers in Colombia. The Colombian government has issued licenses to produce cannabis for Colombian citizens. PuriVerde will work with Colombian farmers cooperatives to extract cannabis oil, sell the finished products, educate growers with growing techniques, supply growers with plants and thus build a sustainable network of growers.

2.2.2. JMS International Packaging

JMS International Packaging specializes in the production of high quality packaging materials through a combination of 30 years of plastic knowledge. Through the years, JMS International Packaging has evolved into a multi-product and multi-service business, which helps them offer to their customers an endless variety of packaging possibilities.

JMS International Packaging's product line is diversified and made to respond to the needs of the entire food market. It provides innovative products created through established proven technology and advanced R&D.

JMS International Packaging specializes in designing, manufacturing and delivering complete packaging solutions while:

- Helping other companies stand out in their market;
- Bringing forward new ideas to ensure the products meets the clients' specifications;
- Quickly fabricating scale models using three-dimensional computer aided design (CAD) data;
- Engineering all projects to ensure that the molds produced are manufactured with the highest of quality, durability and accuracy;
- Manufacturing three processes including blow modeling, injection modeling and stretch blow modeling.

JMS International Packaging has developed polymeric blends to make transparent rigid and heat-resistant thermoplastic workpieces. The polymeric blends and thermoplastic compositions comprise a copolyester and an oxygen scavenging polyester, and optionally an oxidation catalyst. These blends and compositions may be used for making heat-resistant rigid and transparent containers having low gas permeability. These thermoplastic workpieces and containers may find numerous applications for food, beverage, medical, pharmaceuticals and cosmetic products, as well as any other application for which it is desirable to inhibit exposure to oxygen during storage.

The following are the advantages of JMS International Packaging's material:

- Recyclable 1: The formula enabled JMS International Packaging to obtain a recyclable 1 certification, thus meeting the international demand for a pro-environment product;
- UV Resistance: The unique material protects the food from UV rays. This helps to stop food discolouring;
- Air Index: The material offers the best performing air index on the market. This allows the product to have a very long shelf life (a validation test is to be carried out for each food or recipe);
- Heat Resistance: Very good resistance to hot filling. The product is tailored to the client's specifications;
- Transparency: The material offers transparency comparable to glass. The quality of the client's product is highlighted;
- Unbreakable: The product resists to impacts expected by the industry and ensures a certain economy compared to glass;
- Lightweight: The material is much lighter than glass, thus resulting in lower transportation costs;
- Patented: Patent number CA 2935643 obtained on August 15, 2017.

2.3. Development of Business

As a newly-constituted entity, the Trust has very limited business and financial history. There have been no material events that have adversely affected the Trust's business since its inception.

2.3.1 Cannasher

Cannasher was incorporated on March 20, 2017 under the *Canada Business Corporations Act*. Cannasher has filed its license application with Health Canada in November 2017 and has obtained its Health Canada file number in January 2018. Following receipt of said number, Cannasher obtained approval from the City of Sherbrooke in order to implant its business and acquired a 370 000 square feet land that meets all zoning requirements for the cultivation and extraction of cannabis in the City of Sherbrooke on October 5, 2018. The land acquired by Cannasher is located in the scientific industrial park in Sherbrooke close to the *Centre Hospitalier Universitaire de Sherbrooke* and provides enough space to eventually build a second building for increased production. Cannasher has also been granted a 10-year tax exemption (\$700,000 CAD / yr) from the City of Sherbrooke and has obtained a confirmation with respect to supply and preferential rates for electricity and water by the City of Sherbrooke. The facility will benefit from its close access to the city of Montreal and its access to the airport, low energy costs and political support for Cannasher's project at all levels of government.

As of the date of this Offering Memorandum, Cannasher has passed the two first steps of a six-step process for its license application with ACMPR. Cannasher has obtained its initial screening and security clearance on June 7, 2018. In conformity with the new legislation, Cannasher has transferred its license application towards the new cannabis tracking and licensing system ("CTLS"). In February 2019, Cannasher has received confirmation from Health Canada that the transition was completed and that its license application was ongoing. The next steps in the process will be to obtain the issuance of the License to Produce, the Introductory Inspection (as cultivation begins), the Pre-sales Inspection and finally the Issuance by Health Canada of the License to sell (the "**Licenses**"). The Licenses requested will authorize Cannasher to sell, produce, market, research and extract cannabis. The overall multi-phase objective of Cannasher for the next 3 years will be to build a high performance plant compliant with Good Manufacturing Practices ("**GMP**"), to increase its sales of cannabis and to export to international markets such as Australia, USA, Europe, and Asia and in other Canadian provinces.

Cannasher intends to enter into an agreement with a real estate promoter to arrange for the construction of its plant on the newly acquired land. The coveted transaction will require Cannasher to sell its land to the promoter, with an agreement that Cannasher will buy the land together with its constructed plant a few years after its construction. The agreement with the promoter will grant Cannasher exclusivity of usage of the premises until the property is fully rebought by Cannasher.

Phase 1 of this multi-phase project will consist of 6 rooms, of which 4 are grow-rooms, a laboratory and offices in a three stories 110,000 Sq. ft. total area high performance plant. Its initial annual capacity will be of 5,000 kg of dried cannabis per grow room. Phase 2 will bring an additional 45,000 kg of dried cannabis on an annual basis. Cultivation at the production facility will begin by Q4 2019.

Milestones	Date
Start of project	August 2016
Creation of the Green Valley consortium	Fall 2016
Constitution of Cannasher	March 2017
Filing license application with Health Canada	November 2017
Obtaining Health Canada file number	January 2018
Land acquisition approval	February 2018
Meeting with first round investors	May 2018
Announcement of the research chair with the <i>Université</i>	May 2018

<i>de Sherbrooke</i>	
Pass security clearance with the ACMPR	June 2018
Land acquisition	October 2018
Start of production	Q4 2019

Cannasher will use the proceeds derived from the Offering for the construction of its facility in Sherbrooke, acquisition of lab and production equipment (capital expenditures), research and development and strategic investments to position Cannasher as a leader in the medical cannabis industry.

2.3.2 JMS International Packaging

JMS International Packaging was incorporated under the *Canada Business Corporation Act* on September 16, 2015. JMS International Packaging's business is to provide high quality packaging materials and solutions and has diversified its product line over the years to meet the needs of the entire food market. JMS International Packaging is the owner of Canadian patent 2,935,643 (priority date of July 7, 2016) and all patents and patent applications arising from the international application PCT/IB2017/054122 in Canada and around the world (collectively the "Patents") for an invention entitled "Polymeric Blends and uses thereof for making transparent rigid and heat-resistant thermoplastic workpieces" and which relate to polymeric mixtures and thermoplastic compositions that can be used to manufacture thermoplastic products and other workpieces. JMS International Packaging will use the proceeds derived from the Offering primarily to develop its products, to buy moulds, to eventually build a manufacturing facility with a partner and to conclude licensing and distribution agreements with manufacturers and distributors in various industries. **See Item 2.7 Material Agreements.**

2.4. Long Term Objectives

The Trust's sole objective, in both the short term and the long term, is to act as an investment vehicle for Unitholders and invest by granting loans or subscribing to Convertible Debentures equal to funding obtained by the Trust through Units Series 1 through Series 12. **See Item 2.2 Our Business.**

2.5. Short Term Objectives and How the Trust Intends to Achieve Them

The Trust's sole objective, in both the short term and the long term is to act as an investment vehicle for Unitholders and invest in Cannasher and JMS International Packaging through loans or through Convertible Debentures. **See Item 2.2 Our Business.** The following table outlines the Trust's short-term objective and the method and cost associated with the achievement thereof.

What we must do and how we will do it	Target number of months to complete	Our cost to complete
Fund the operation of the business described in this Offering Memorandum. See Item 2.2 Our Business	12 months	\$540,000 for JMS International Packaging. \$2,660,000 for Cannasher ⁽¹⁾

(1) Represents all estimated costs, fees and commissions associated with the Maximum Offering. See Item 1.1 Available Funds.

2.6. Insufficient Funds

The available funds raised from this Offering will be committed to the business objectives of the Trust. The Trust does not intend to hold any significant cash reserves, other than those amounts necessary to pay for all administration and operating expenses incurred by the Trust in the conduct of its business. The Trust does not anticipate requiring additional funds to pursue its objectives.

2.7. Material Agreements

The following are the key terms of all material agreements which Cannasher and JMS International Packaging (the Trust's indirect holding through Cannasher LP, JMS Packaging LP and Transition Innovation OpTrust in which constitute its sole material asset) has or expects to enter into and which can reasonably be regarded as presently

being material to the Trust's business or a prospective purchaser of Units being offered pursuant to this Offering. For a description of the key terms of the Declaration of Trust, Transition Innovation OpTrust's declaration of trust, the Cannasher LP Agreement and the JMS LP Agreement, see **Appendix A to the Offering Memorandum – Trust Structure**.

2.7.1. Cannasher

Agreement with the Faculty of Biology of the *Université de Sherbrooke*

On May 23, 2018, Cannasher announced the creation with the *Université de Sherbrooke* of a research Chair on medical cannabis culture for which Dr. Kamal Bouarab, Professor in the Department of Biology and a renowned researcher, is the holder of the Chair. The Chair's focus will be i) the development of new genetics, ii) improving plant growth and iii) developing new growth techniques. All the intellectual property developed and created in the Chair will be first offered exclusively to Cannasher. Cannasher's financial contribution is of \$900,000 over five (5) years. Research grants and government funding are also available.

The *Université de Sherbrooke* is a large public French-language university in Quebec, Canada, with campuses located in Sherbrooke and Longueuil, a suburb of Montreal approximately 130 km (81 mi) West of Sherbrooke. It is one of the two universities in the Estrie region of Quebec, and the only French-language university in the region. In 2016, the *Université de Sherbrooke* was home to 40,500 students and a teaching staff of 3,812. In all, it employs 6,334 people. The university has over 110,000 graduates and offers 46 undergraduates, 56 masters and 33 doctoral programs. It holds a total of 71 research chairs and 35 research centers among which are the pharmacology, microelectronics, statistical learning and environmental research chairs.

The *Centre hospitalier universitaire de Sherbrooke (CHUS)* is a public healthcare network in Sherbrooke, Quebec, Canada affiliated with the *Université de Sherbrooke* Faculty of Medicine. The CHUS offers general, specialized and sub-specialized medicine and is the teaching hospital in the administrative regions of Estrie, Centre-du-Québec, and the eastern portion of the Montérégie. It is also a center of reference in quaternary gamma knife radiosurgery for Quebec and Eastern Canada. With 6,800 employees, doctors and pharmacists and more than 3,400 students, the CHUS is an academic and economic hub in southeastern Quebec and is the second largest employer in the Estrie region.

2.7.2. PuriVerde Agreements with a Colombian Research Group

On January 19, 2018, PuriVerde signed an exclusive commercial supply agreement with EMA Research Corporation for the sale of cannabis plants for medicinal purposes and for four (4) seed varieties, as well as for the supply and exclusive production of their seeds and transfer of intellectual property rights for registration to PuriVerde.

On January 19, 2018, PuriVerde signed an exclusive agreement for the sale of four (4) medical investigations associated with the cannabis plants, including all protocols, studies, investigations, original memories, formulas for the mass production of medical cannabis and the assignment of all the intellectual property and industrial property rights associated with it, for registration, certification and patents.

On February 2nd, 2018, PuriVerde signed a strategic alliance agreement with EMA Research Corporation for carrying out medical and scientific research on cannabis plants, as well as for the registration of health certifications and intellectual property and the assignment of trade secrets in association with 19 illnesses and pathologies.

2.7.3. JMS International Packaging

In December 2018, JMS International Packaging has signed an important agreement with a maple syrup cooperative. JMS International Packaging is currently in the process of finalising distribution and licensing agreements for plastic products under its patented technology to different groups in the food industry. JMS International Packaging expects to sign licensing and distribution agreements by the end of 2019.

2.7.4. Agreements with Selling Agents

The Issuer will sign agreements with Selling Agents in connection with the issuance of the Units. The Issuer intends to offer the following remuneration to the Selling Agents in connection with the Offering:

Offered Securities	Selling commissions and fees
Series 1 and Series 5 Units	Six percent (6%) for the first three years plus one percent (1%) for each of the following four civil semester, for a maximum total of ten percent (10%) of the gross proceeds from the sale of Units.
Series 2 and Series 6 Units	No commission

The Trust has retained Cape Cove Financial Management Inc., a registered exempt market dealer, as lead selling agent in respect of the distribution and sale of the Units and the Trust may choose to retain additional selling agents. Dany Bergeron, dealing representative of Cape Cove, is also a Trustee of the Issuer and, as such, the Issuer could be considered a “connected issuer” of Cape Cove under applicable Canadian securities laws. Also, Guillaume Côté, registered as dealing representative of Cape Cove, is also the Chief Financial Officer of Cannasher and, as such, the Issuer could be considered a “connected issuer” of Cape Cove under applicable Canadian securities laws.

ITEM 3 DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1. Compensation and Securities Held

The following table provides specified information about each trustee and promoter of the Trust and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Trust (a “**Principal Holder**”). Where the Principal Holder is not an individual, the following table provides the name of any person that directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the Principal Holder. The Trust has not completed its first financial year and no compensation has been paid since its inception:

Name and municipality of principal residence	Position held and date of obtaining that position	Compensation paid by the Trust since inception and the compensation anticipated to be paid in current financial year	Number, type and percentage of securities of the Trust held after the completion of the Minimum Offering	Number, type and percentage of securities of the Trust held after the completion of the Maximum Offering
François Castonguay, Saint-Bruno	Trustee since March 27, 2019	\$0	0	0
Ginette Fortin, Trois-Rivieres	Trustee since March 27, 2019	\$0	0	0
Dany Bergeron, Montreal	Trustee since March 27, 2019	\$0	0	0

3.2. Management Experience

The name and principal occupations of the trustees of the Trust over the past five years is as follows:

Name and position	Principal Occupation and Related Experience
François Castonguay, Trustee	<p>Mr. Castonguay is the former President & CEO of the Uniprix Group, a publicly traded Canadian Pharmaceutical Company. He has a rich and diverse background in business, finance and retail. He is currently working as a consultant and strategic advisor to meet the needs of several companies, financial institutions and boards of directors in these areas. He graduated with a degree in Business Administration and advanced in finance at York University in Toronto.</p> <p>He began his practice as Director and then Vice-President at CitiBank Canada in financing medical equipment, leasing, medical, dental, hospitals, medical clinics and pharmacies. It is during these years that, wishing to put in place a financing adapted to the reality of its clients in the field of health, he introduced the concept of financing of goodwill in Quebec, thus creating new clusters of economic growth and growth among healthcare entrepreneurs.</p> <p>He then joined the Uniprix Group, where he served as Executive Vice President for 5 years and then as President and Chief Executive Officer for 15 years. During his time, he was involved in the implementation of the major transaction to acquire Cumberland Pharmacies. He also increased the number of Uniprix Group pharmacies from 147 to 374, and the banner turnover from \$437 million to more than \$1.9 billion.</p> <p>Mr. Castonguay has always been committed to being involved in his economic and social environment with boards of directors and foundations. He was a member of the IUSSM (Louis H. Lafontaine) as Chairman of the Board of Directors for more than 11 years and is very active with the following foundations: Cystic Fibrosis (Governor), Charles Bruneau, Cancer Research Society of Canada, Arthritis Society, Heart and Stroke Foundation, Longueuil Symphony Orchestra (Governor), Pierre-Boucher Hospital and Charles-Lemoyne Hospital.</p>
Ginette Fortin, Trustee	<p>Mrs. Fortin, FCPA, FCGA, F.Pl., ASC has more than 30 years of experience in corporate governance, strategic planning and entrepreneur coaching. Her field of expertise is finance and financial planning. During her professional career, Mrs. Fortin was a director for many public entities such as <i>Société d'Habitation du Québec</i> and <i>Retraite Québec</i>, for which she is a director, president of the audit committee and member of the IT committee since 2016.</p> <p>Mrs. Fortin also currently acts as President of the <i>École Nationale de Police du Québec</i> and was for a long time a member of the executive committee of the Quebec Chartered Professional Accountant Order. Mrs. Fortin was twice a director of the <i>Institut Québécois de Planification Financière</i> and worked from 2004 to 2016, notably as manager of the financial planners of the National Bank of Canada and principal strategy and operations consultant of Private Banking 1859.</p>

Dany Bergeron, Trustee	<p>Mr. Bergeron, B.B.A., C.L.U., C.E.B.S., FMA, FCSI, has more than 20 years of experience in the distribution of financial products and services and in the management of companies. During his professional career, Mr. Bergeron was a director for 6 years (including 3 years as Chairman of the Board of Directors) of the <i>Chambre de la Sécurité Financière</i>, a self-regulatory organization in the province of Quebec whose mission is to ensure the protection of the public. The Chambre oversees more than 32,000 professionals in the financial sector, particularly in terms of ethics and discipline.</p> <p>Mr. Bergeron acts as a manager for various issuers in the exempt market (MarDi.info-Prevtec inc., AgroTech Ventures 1 inc. and Malina Capital inc.). He also acts and as a dealer representative of Cape Cove Financial Management inc. and as the sole officer, director, and representative of his financial services firm 9278-7381 Québec Inc.</p>
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3.3. Penalties, Sanctions and Bankruptcy

Except as noted below, to the knowledge of the Corporation, there are no penalties or sanctions that have been in effect during the last 10 years, or any cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years against: (i) a trustee of the Trust, (ii) a director, executive officer or control person of Cannasher or JMS International Packaging, or (iii) an issuer of which a person referred to in (i) or (ii) above was a director, executive officer or control person at the time. There is no declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, that has been in effect during the last 10 years with regard to any (i) trustee of the Trust, (ii) director, executive officer or control person of Cannasher or JMS International Packaging, or (iii) issuer of which a person referred to in (i) or (ii) above was a director, executive officer or control person at that time.

On April 7, 2011, the Disciplinary Committee of the *Chambre de la sécurité financière*, upon Guillaume Côté's guilty plea, has temporarily suspended him for two months for making a customer sign a blank *form of offering instructions and interest reinvestment in permanent units* and for forging a signature.

ITEM 4 CAPITAL STRUCTURE

4.1. Trust's Capital

The following sets out the capital structure of the Trust as at the date indicated below:

Description of Security	Number authorized to be issued	Price per security	Number outstanding as at March 27, 2019	Number outstanding assuming completion of Minimum Offering	Number outstanding assuming completion of Maximum Offering
Series 1 Units	Unlimited	\$10 per Series 1 Unit	10	Between 35,000 and 37,100 ⁽¹⁾	Between 3,000,000 and 3,180,000 ⁽¹⁾
Series 2 Units		\$10 for 1.06 Series 2 Units	0		
Series 5 Units		\$10 per Series 5 Unit	0		
Series 6 Units		\$10 for 1.06 Series 6 Units	0		

(1) The 10 units currently outstanding will be redeemed upon the completion of the offering.

The Trust is authorized to issue an unlimited number of Series 1 to 12 Units.

4.2. Long Term Debt

As of the date of this Offering Memorandum, the Trust has no outstanding long term debt.

4.3. Prior Sales

As of the date of this Offering Memorandum, there are 10 Units issued and outstanding.

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
March 27, 2019	Units	10	10	\$100

ITEM 5 SECURITIES OFFERED

5.1. Terms of Securities

The securities being offered pursuant to this Offering are Series 1, Series 2, Series 5 and Series 6 Units. Each \$10 subscription for Series 1 or Series 5 Units gives one (1) Series 1 Unit or one (1) Series 5 Unit, as the case may be. Each \$10 subscription for Series 2 or Series 6 Units gives 1.06 Series 2 Units or 1.06 Series 6 Units, as the case may be. Series 1 and Series 2 Units will solely be offered to finance the funding of Cannasher and the Series 5 and Series 6 Units will solely be offered to finance the funding of JMS Packaging International. The minimum number of Series 5 or Series 6 Units that must be purchased by a Subscriber for JMS International Packaging is equivalent to a minimum investment of \$2,500 and/or the minimum number of Series 1 and Series 2 that must be purchased by a Subscriber for Cannasher is equivalent to a minimum investment of \$5,000. There is no maximum number of Units allocated to any Subscriber. The material terms of the Units are described at **Appendix A to the Offering Memorandum – Trust Structure**.

5.2. Subscription Procedure

a) Subscription Documents

Subscribers will be required to enter into a Subscription Agreement with the Trust which will contain, among other things, representations, warranties and covenants by the Subscriber that it is duly authorized to purchase the Units, that it is purchasing the Units as principal and for investment and not with a view to resale and as to its corporate or other status to purchase the Units and that the Trust is relying on an exemption from the requirements to provide the Subscriber with a prospectus and to sell securities through a person or company registered to sell securities under applicable securities laws and as a consequence of acquiring the securities pursuant to this exemption, certain protections, rights and remedies, provided by applicable securities laws, including statutory rights of rescission or damages, will not be available to the Subscriber.

Reference is made to the Subscription Agreement to this Offering Memorandum for the terms of these representations, warranties and covenants.

In order to subscribe for Units, Subscribers must complete, execute and deliver the following documentation to the Trust:

1. one completed and signed copy of the Subscription Agreement (including any exhibits attached thereto);
2. a wire transfer in an amount equal to the Aggregate Subscription Amount (as set forth in the Subscription Agreement), payable to the following account:

For credit to:	Manulife Bank of Canada 500, King street North Waterloo (Ontario) N2J 4C6 CANADA
Swift Code:	MCBTCA2W
Bank number:	540
Transit number:	05012

Account number: 14-965-41
Beneficiary's name: Transition Innovation Income Trust
Beneficiary's address: 1686, Chemin Laliberté
Sherbrooke, Quebec J1R 0C5
CANADA

3. completed and executed copies of the applicable schedules and appendices to the Subscription Agreement, including the appropriate investor qualification and risk acknowledgement forms. The appropriate form(s) to be completed depend(s) on a Subscriber's place of residence and on the amount of his or her investment (see the cover page to the Subscription Agreement for instructions).

Subject to applicable securities laws, and the purchaser's two-day cancellation right, a subscription for Units, evidenced by a duly completed Subscription Agreement delivered to the Trust shall be irrevocable by the Subscriber. **See ITEM 11 Purchasers' Rights.**

Subscriptions for Units will be received, subject to rejection and allotment, in whole or in part, and subject to the right of the Trust to close the subscription books at any time, without notice. If a subscription for Units is not accepted, all subscription proceeds will be promptly returned to the Subscriber without interest.

The closing of the Minimum Offering amount is scheduled to occur on or before April 30, 2019. It is expected that certificates representing the Units will be available for delivery within a reasonable period of time after the relevant closing date(s). If the Minimum Offering amount is not met prior to April 30, 2019, collected funds will be returned to the respective parties by May 15, 2019 without interest.

The subscription funds will be held in the Issuer's bank account until midnight of the second business day subsequent to the date that each Subscription Agreement is signed by a Subscriber.

ITEM 6 INCOME TAX CONSEQUENCES AND DEFERRED PLAN ELIGIBILITY

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you. Not all securities are eligible for investment in a Deferred Plan. You should consult your own professional advisers to obtain advice on the eligibility of these securities for investment by a Deferred Plan.

ITEM 7 COMPENSATION PAID TO SELLERS AND FINDERS

Where allowed by applicable securities legislation, the Trust intends to offer compensation of up to 6% for the first three years plus 1% for each of the following four civil semester, for a maximum total of 10% of the gross proceeds realized on the sale of Series 1 and Series 5 Units under this Offering to any one of, or a combination of, the following parties: investment dealers, exempt market dealers and/or their dealing representatives, parties related to the Trust and employees and/or contractors of such parties.

The Trust has retained Cape Cove Financial Management Inc., a registered exempt market dealer, as lead selling agent in respect of the distribution and sale of the Units and the Trust may choose to retain additional selling agents. Dany Bergeron, dealing representative of Cape Cove, is also a Trustee of the Issuer and, as such, the Issuer could be considered a "connected issuer" of Cape Cove under applicable Canadian securities laws. Also, Guillaume Côté, registered as dealing representative of Cape Cove, is also the Chief Financial Officer of Cannasher and, as such, the Issuer could be considered a "connected issuer" of Cape Cove under applicable Canadian securities laws.

Furthermore, Cannasher has reached a deal with Calixa Partners (a Cape Cove shareholder) that provides that Cannasher will issue shares of its share capital to Calixa Partners (a minimum of 0.04% and a maximum of 0.1733% of Cannasher's shares) in accordance with the investment volume raised by the Trust.

ITEM 8 RISK FACTORS

The purchase of Units pursuant to this Offering should only be made after consulting with independent and qualified sources of investment and tax advice. Investment in the Units at this time is highly speculative. The Trust's business involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Purchasers of Units must rely on the ability, expertise, judgement, discretion, integrity and

good faith of the management of the Trust. This Offering is suitable for investors who are willing to rely solely upon the management of the Trust and who could afford a total loss of their investment.

In addition to factors set forth elsewhere in this Offering Memorandum, Subscribers should carefully consider the following factors, many of which are inherent to the ownership of the Units. The following is a summary only of some of the risk factors involved in an investment in the Units. Subscribers should review these risks with their legal and financial advisors.

8.1 Investment and Issuer Risk

Not Reviewed by Regulator

Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum by any securities regulatory authority or regulator.

No Deposit Insurance

The Units offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Corporation or any other insurance company or program.

No Trustee

There is no trustee acting as agent in connection with Units issued pursuant to this Offering. Unitholders must rely on the Trust to make all payments to Unitholders pursuant to the terms of the Units.

Tax Risk

The tax consequences associated with an investment in Units may be subject to changes in federal and provincial tax laws. There can be no assurance that the tax laws will not be changed in a manner that will fundamentally alter the income tax consequences to investors holding or disposing of Units. If Units held by a Deferred Plan are redeemed by the Trust through the transfer of notes of Transition Innovation OpTrust, such notes would not be qualified investments for purposes of that Deferred Plan. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

Subscribers should consult their own tax advisors as to the tax consequences of making an investment in, and holding of, Units by a Deferred Plan.

Minimum Number of Unitholders

The requirements for mutual fund trust status under the Tax Act include ongoing requirements that must be met at all times. These requirements include a requirement that at all times, after the 89th day after the Trust's first taxation year, the Trust must have at least 150 Unitholders for a given series holding at least 50 Units having an aggregate fair market value of not less than \$500. In addition, the Trust may cease to be a "mutual fund trust" where it is considered to be established or maintained primarily for the benefits of Non-Residents unless certain requirements are met. If the Trust were not to qualify as a "mutual fund trust" under the Tax Act, the federal income tax considerations described in this Offering Memorandum would, in some respects be materially and adversely different. If the Trust ceases to qualify as a "mutual fund trust" under the Tax Act, the Units will cease to be qualified investments for Deferred Plans. There can be no assurance that the Units will continue to be qualified investments for Deferred Plans. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

Reliance on Third Parties

The Trust does not carry on any business directly and depends on Cannasher LP, JMS Packaging LP and GP to carry on the business. The Trust is not a party to any of these entities' daily business. If any of the aforementioned parties (none of which is controlled by the Trust) fails to perform any of its obligations, the Trust may suffer significant losses.

Changes to the Tax Act

No assurance can be given that changes in the Tax Act or future court decisions or the implementation of new taxes will not adversely affect the Trust or fundamentally alter the income tax consequences to holders of Units with

respect to acquiring, holding or disposing of Units. Investors are strongly encouraged to consult their tax advisors as to the tax consequences of acquiring, holding and disposing of Units purchased pursuant to the Offering.

No Advance Tax Ruling

No advance income tax ruling has been applied for or received with respect to the income tax consequences described in the Offering Memorandum. See **ITEM 6 Income Tax Consequences and Deferred Plan Eligibility**.

Canadian Tax Treatment of Units

The tax treatment of the Units constitutes a major factor when considering an investment in the Units. There is no guarantee that the taxation laws and regulations and the current administrative practices of both the federal and provincial tax authorities will not be amended or construed in such a way that the tax considerations for a Unitholder will not be altered and, moreover, there is no guarantee that there will not be any differences of opinion between the federal and provincial tax authorities with respect to the tax treatment of the Units and the status of the Units. No guarantees can be given that Canadian tax laws will not be amended, that the amendments announced with respect to such laws will be adopted or that the current administrative practice of the tax authorities will not be modified. See **ITEM 6 Income Tax Consequences and Deferred Plan Eligibility**.

Trust not a Corporation

Subscribers are cautioned that the Trust is not generally regulated by established corporate law and Unitholders' rights are governed primarily by the specific provisions of the Declaration of Trust, which addresses such items as the nature of the Units, the entitlement of Unitholders to cash distributions, restrictions respecting non-resident holdings, meetings of Unitholders, delegation of authority, administration, Trust governance and liabilities and duties of the Trustees of the Trust to Unitholders. As well, under certain existing legislation such as the *Bankruptcy and Insolvency Act* and the *Companies Creditor's Arrangement Act*, the Trust is not a legally recognized entity within the definitions of these statutes. In the event of insolvency or restructuring of the Trust, the rights of Unitholders may be different from those of shareholders of an insolvent or restructuring corporation as the Trust and its stakeholders would not be able to access the remedies and procedures available thereunder.

Trustees' Interests

The trustees of the Trust will not be devoting all of their time to the affairs of the Trust, but will be devoting such time as required to effectively manage the Trust.

No Management Rights

The trustees of the Trust, and not Unitholders, will make decisions regarding the management of the Trust's affairs. Subscribers must carefully evaluate the personal experience and business performance of the trustees of the Trust.

Management Ability

The success of the Trust's business strategy depends to a certain extent, on the efforts and abilities of its trustees and on external factors such as, among other things, the general political and economic conditions that may prevail from time to time, which factors are out of the control of the Trust. As a result, there is no guarantee that Unitholders will earn a return on their investment in the Units.

Independent Counsel

No independent counsel was retained on behalf of the Subscribers with respect to this Offering. There has been no review by independent counsel on behalf of the Subscribers of the Offering Memorandum, or any other documentation in relation to the Offering. No due diligence has been conducted on behalf of Subscribers by counsel.

No History

The Trust does not have any operational history or history of earnings. Accordingly, there is no operating history upon which to base an evaluation of the Trust and its business and prospects.

Illiquidity of Investment

An investment in the Units of the Trust is an illiquid investment. **There will be no market through which the Units of the Trust may be sold.** The Trust is not a “reporting issuer” in any jurisdiction, and a prospectus has not qualified the issuance of the Units. The Units are subject to a number of restrictions respecting transferability and resale, including a restriction on trading imposed by applicable securities laws. Until the restriction on trading expires, you will not be able to trade the Units unless you comply with an exemption from the prospectus and registration requirements under securities legislation. **See ITEM 10 Resale Restrictions.**

Securities Regulatory Risks

In the ordinary course of business, the Trust may be subject to ongoing reviews by the securities regulators, who have broad powers to pass, interpret, amend and change the interpretation of securities laws from time to time and broad powers to protect the public interest and to impose terms, conditions, restrictions or requirements regarding registration under applicable Canadian Securities Laws. Further, the securities regulators have the authority to retroactively deny the benefit of an exemption from prospectus or registration requirements otherwise provided for under securities laws where the regulator considers it necessary to do so to protect investors or the public interest. While the Trust believes that its position regarding compliance with applicable Canadian Securities Laws is appropriate and supportable, it is possible that securities law matters may be reviewed and challenged by the securities authorities. If such challenge were to succeed, it could have a material adverse effect on the Trust. There can be no assurance that applicable Canadian Securities Laws or the securities regulators interpretations thereof or the practices of the securities regulators will not be changed or re-interpreted in a manner that adversely affects the Trust.

Diversification

The Trust’s only assets on closing of the Minimum Offering will be the amounts invested by Unitholders and its participation in the loans or Convertible Debentures granted to Cannasher and JMS International Packaging from its indirect participation in Cannasher LP and in JMS Packaging LP. Accordingly, a Subscriber’s investment in the Trust does not alone provide optimal diversification for a balanced portfolio.

8.2 Cannasher Risk

Due to the nature of Cannasher’s business, the legal and economic climate in which it operates and its present stage of development, Cannasher is subject to significant risks. The risks presented below should not be considered to be exhaustive and may not be all of the risks that Cannasher may face. Additional risks and uncertainties not presently known to Cannasher or that Cannasher currently considers immaterial may also impair the business and operations. If any of the following or other risks occur, Cannasher’s business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted.

Management of Growth

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

Unfavourable Publicity or Consumer Perception

Cannasher believes the medical cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical cannabis produced. Consumer perception of Cannasher’s products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question earlier research reports, findings or publicity could have a

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

Negative Cash Flow from Operations

During the fiscal year ending on December 31, 2019, Cannasher will have negative cash flow from operating activities. Although Cannasher anticipates it will have positive cash flow from operating activities in future periods, to the extent that Cannasher has negative cash flow in any future period, certain of the net proceeds from the Offering may be used to fund such negative cash flow from operating activities, if any.

Risks Inherent in Strategic Alliances

Cannasher currently has, and may in the future enter into further, strategic alliances with third parties that it believes will complement or augment its existing business. Cannasher's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance Cannasher's business, and may involve risks that could adversely affect Cannasher, including significant amounts of management time that may be diverted from operations to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that Cannasher's existing strategic alliances will continue to achieve, the expected benefits to Cannasher's business or that Cannasher will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing risks and uncertainties could have a material adverse effect on Cannasher's business, financial condition and results of operations.

Reliance on Licences

Cannasher's ability to grow, store and sell medical cannabis in Canada is dependent on the Licences it will obtain. The Licences are subject to ongoing compliance and reporting requirements. Failure to comply with the requirements of the Licences or any failure to maintain the Licences would have a material adverse impact on the business, financial condition and operating results of Cannasher. Although Cannasher believes it will meet the requirements of the *Cannabis Act* and the *Cannabis Regulations* for the grants or renewals of the Licences, there can be no guarantee that Health Canada will grant, extend or renew these Licences or, if extended or renewed, that they will be extended or renewed on the same or similar terms. Should Health Canada not grant, extend or renew the Licences or should they renew the Licences on different terms, the business, financial condition and results of the operation of Cannasher would be materially adversely affected.

Product Liability

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

A product liability claim or regulatory action against Cannasher could result in increased costs, could adversely affect Cannasher's reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of Cannasher. There can be no assurances that Cannasher will be

able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of products.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products produced by Cannasher are recalled due to an alleged product defect or for any other reason, Cannasher could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. Cannasher may also lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although Cannasher has detailed procedures in place for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the products were subject to recall, the image of that product and Cannasher could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for products and could have a material adverse effect on the results of operations and financial condition of Cannasher. Additionally, product recalls may lead to increased scrutiny of the operations of Cannasher by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Competition

On April 13, 2017, the Canadian Federal Government put forward proposed legislation, the Cannabis Act, outlining the framework for the legalization of adult use of cannabis, as well as laws to address drug-impaired driving, protect public health and safety and prevent youth access to cannabis. The provincial and municipal governments have been given explicit authority by the Federal Government to provide regulations regarding retail and distribution, as well as the ability to alter some of the existing baselines, such as increasing the minimum age for purchase and consumption. The Canadian Federal Government has legalized recreational cannabis use on October 17, 2018. The ACMPR will continue to operate in tandem with the recreational regime and will be re-evaluated within five years of the Cannabis Act coming into force. Licensed Producers will be deemed to be licensed under the *Cannabis Act* as well.

While it is understood that Licensed Producers will continue to operate under the medical and recreational regimes, until the provinces release their regulations regarding retail and distribution it is still unclear what the final landscape of the legalization regime will look like. The provincial government's position is still uncertain, in particular regarding the legal age to recreationally use cannabis. Since Cannasher operates in the field of medical cannabis, it is improbable that this will have an impact on its operations. However, the number of Licensed Producers is set to increase to meet the demand of the recreational market, which could negatively impact Cannasher's market share and demand for products.

The introduction of a recreational model for cannabis production and distribution may impact the medical cannabis market. The impact of this potential development may be negative for Cannasher, and could result in increased levels of competition in its existing medical market and/or the entry of new competitors in the overall cannabis market in which Cannasher operates.

There is potential that Cannasher will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than Cannasher. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of Cannasher.

Cannasher also faces competition from illegal cannabis dispensaries that are selling cannabis to individuals despite not having a valid license under the *Cannabis Act* and the *Cannabis Regulations*. Various Canadian cities have seen an influx in the number of dispensaries.

If the number of users of medical cannabis in Canada increases, the demand for products will increase and Cannasher expects that competition will become more intense, as current and future competitors begin to offer an

increasing number of diversified products. To remain competitive, Cannasher will require a continued high level of investment in research and development, marketing, sales and client support. Cannasher may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of Cannasher.

As well, the legal landscape for medical and recreational cannabis is changing internationally. More countries have passed laws that allow for the production and distribution of medical cannabis in some form or another. Cannasher has some international partnerships in place, which may be affected if more countries legalize medical cannabis. Increased international competition might lower the demand for Cannasher's products on a global scale.

Reliance on Facilities

Cannasher's future activities and resources are focused on its Sherbrooke facility. The Licenses to be held by Cannasher are specific to that facility. Adverse changes or developments affecting the facility, including but not limited to, a breach of security, could have a material and adverse effect on Cannasher's business, financial condition and prospects. Any breach of the security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by Health Canada, could also have an impact on Cannasher's ability to operate under its future licenses or the prospect of renewing its licenses.

Cannasher will bear many, if not all, of the costs of maintenance and upkeep of the facility. Cannasher's operations and financial performance may be adversely affected if it is unable to keep up with future maintenance requirements. Certain future contemplated capital expenditures, including the construction of additional growing rooms and expanding Cannasher's cannabis oil extraction capacity, will require Health Canada approval. There is no guarantee that Health Canada will approve the future contemplated expansion and/or renovation, which could adversely affect the business, financial condition and results of operations of Cannasher in the future.

Intellectual Property

Cannasher relies on a combination of trademarks, licensing agreements and unpatented proprietary know-how and trade secrets to establish and protect its intellectual property rights. Cannasher enters into confidentiality agreements with customers, vendors, employees, consultants and potential acquisition candidates as necessary to protect its know-how, trade secrets and other proprietary information. However, these measures may not afford complete protection of the intellectual property, and it is possible that third parties may copy or otherwise obtain and use Cannasher's proprietary information and technology without authorization or otherwise infringe on its intellectual property rights. Cannasher cannot assure that its competitors will not independently develop equivalent or superior know-how, trade secrets or production methods. Significant impairment of its intellectual property rights could harm Cannasher's business or its ability to compete. For example, if it is unable to maintain the proprietary nature of its technologies, Cannasher's profit margins could be reduced as competitors could more easily imitate its products, possibly resulting in lower prices or lost sales for certain products. In such a case, Cannasher's business, results of operations and financial condition may be materially and adversely affected.

Cannasher may be periodically involved in litigation in the course of its business to protect and enforce its intellectual property rights, and third parties may from time to time initiate claims or litigation asserting infringement or violation of their intellectual property rights. Cannasher cannot assure that its products will not be found to infringe upon the intellectual property rights of others. Further, Cannasher cannot assure that it will prevail in any such litigation, or that the results or costs of any such litigation will not have a material adverse effect on its business. Any litigation concerning intellectual property could be protracted and costly and is inherently unpredictable and could have a material adverse effect on Cannasher's business, results of operations or financial condition regardless of its outcome.

8.3 PuriVerde Risk

Demand for Cannabis and Derivative Products

The legal cannabis industry in Colombia is at an early stage of its development. Perceptions regarding legality, morality, consumption, safety, efficacy and quality of medicinal cannabis are mixed and evolving and can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medicinal cannabis products. There can be no assurance that future

scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medicinal cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for medicinal cannabis and on the business, results of operations, financial condition and cash flows of PuriVerde. Public opinion and support for medicinal cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing medicinal cannabis in Colombia, it remains a controversial issue subject to differing opinions surrounding the level of legalization. PuriVerde's ability to gain and increase market acceptance of its business may require substantial expenditures on investor relations, strategic relationships and marketing initiatives. There can be no assurance that such initiatives will be successful and their failure may have an adverse effect on PuriVerde.

Risks Inherent in Rural Real Estate

The Colombian Constitution protects the right to own private property and related rights acquired in compliance with civil regulations. According to Colombian Constitution, legally acquired private property ownership rights cannot be affected if the owner is in compliance with applicable laws. Except in the case of public necessity or social interest, subject to due process and the payment of an indemnification, expropriations without just cause or on a discriminatory basis are restricted. In August 2011, Colombia and Canada entered into a Free Trade Agreement, which outlines the issue of expropriations in Article 811 as well as dispute settlements in Chapter 21. The Free Trade Agreement provides that Canadian investments in Colombia will be granted fair and equitable treatment with full protection and security and will be accorded no less favourable treatment than Colombia grants to its own investors or investors of any other country. It also provides that an investment will not be expropriated except in a non-discriminatory manner in accordance with due process of law with prompt and adequate compensation. The expropriation provisions cover both traditional "direct" takings and so-called "indirect" or "creeping" expropriation, which results from a measure or a series of measures by a government that have an effect equivalent to direct expropriation without a formal transfer of title or outright seizure of the investment. An investor-State dispute resolution process is provided for in the event that the investment is not provided the protections set out in the Free Trade Agreement. Through this process, a Canadian investor can challenge a Colombian measure through binding international arbitration instead of relying on the Colombian local courts.

Changes in Corporate Structure

Colombian cannabis licences are granted on a non-transferable, non-exchangeable and non-assignable basis. Any breach of this restriction may give rise to unilateral termination of the license by the governmental authority. Notwithstanding the above, Colombian laws do not provide for specific regulations or restrictions regarding the effects of a change in control, modification of the corporate structure, issuance of shares, or any changes in holders or final beneficiaries of cannabis licences. Colombian legislation gives special attention to the identification and background of the legal representatives of licensees. Licensees must file a declaration of the legality of the proceeds of the legal representatives. Furthermore, Decree 613 of 2017 provides a set of resolutive conditions, which enable the Ministry of Health or the Ministry of Justice, as applicable, to terminate a license if the licensee fails to request the amendment of the licence within 30 calendar days following any changes in (i) the legal representation of the licensee; or (ii) the declaration that a legal representative is criminally liable for drug trafficking or related crimes, after having issued the respective license.

Emerging Market Risks

Emerging market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments. All of PuriVerde's operations are in Colombia. Colombia has a history of economic instability or crises (such as inflation or recession). While there is no current political instability, and historically there has been no change in laws and regulations, this is subject to change in the future and could adversely affect PuriVerde's business, financial condition and results of operations. In particular, fluctuations in the Colombian economy and actions adopted by the Government of Colombia have had and may continue to have a significant impact on companies operating in Colombia, including PuriVerde. Specifically, PuriVerde may be affected by inflation, foreign currency fluctuations, regulatory policies, business and tax regulations and in general, by the political, social and economic scenarios in Colombia and in other countries that may affect Colombia. Global economic crises could negatively affect investor confidence in emerging markets or the economies of the principal

countries in Latin America, including Colombia. Such events could materially and adversely affect PuriVerde's business, financial condition and results of operations.

Global Economy

Financial markets in Colombia are influenced by the economic and market conditions in other countries, including other South American and emerging market countries and other global markets. Although economic conditions in these countries may differ significantly from economic conditions in Colombia, investors' reactions to developments in these other countries, such as the recent developments in the global financial markets, may substantially affect the capital flows into, and the market value of securities of companies with operations in Colombia.

An economic downturn or volatility could have a material adverse effect on PuriVerde's business, financial condition and results of operations. The economy of Colombia, where PuriVerde's operations are located, has experienced significant economic uncertainty and volatility during recent years. In addition, as a result of volatile or uncertain economic conditions, PuriVerde may experience the negative effects of increased financial pressures on its clients. For instance, PuriVerde's business, financial condition and results of operations could be negatively impacted by increased competitive pricing pressure, which could result in PuriVerde incurring increased bad debt expense. If PuriVerde is not able to timely and appropriately adapt to changes resulting from a weak economic environment, its business, results of operations and financial condition may be materially and adversely affected.

A crisis in other emerging market countries could dampen investor enthusiasm for companies with South American operations. Financial conditions in Venezuela, Peru, Argentina, Brazil or other emerging market countries could negatively impact Colombia's economy in the future. If such fluctuations were to occur, PuriVerde's business, financial condition and results of operations could be materially and adversely affected.

Tax Risks

PuriVerde will operate and will be subject to income tax and other forms of taxation (which are not based upon income) in multiple tax jurisdictions. Taxation laws and rates which determine taxation expenses may vary significantly in different jurisdictions, and legislation governing taxation laws and rates is also subject to change. Therefore, PuriVerde's earnings may be impacted by changes in the proportion of earnings taxed in different jurisdictions, changes in taxation rates, changes in estimates of liabilities and changes in the amount of other forms of taxation. PuriVerde may have exposure to greater than anticipated tax liabilities or expenses. PuriVerde will be subject to income taxes and non-income taxes in a variety of jurisdictions and its tax structure is subject to review by both domestic and foreign taxation authorities and the determination of PuriVerde's provision for income taxes and other tax liabilities will require significant judgment.

PuriVerde will be subject to different taxes imposed by the Colombian government and any changes within such tax legal and regulatory framework may have an adverse effect on its financial results. All current tax legislation is a matter of public record and PuriVerde will be unable to predict which additional legislation or amendments may be enacted.

Change of Cannabis Laws, Regulations and Guidelines

Cannabis laws and regulations are dynamic and subject to evolving interpretations which could require PuriVerde to incur substantial costs associated with compliance or alter certain aspects of its business plan. It is also possible that regulations may be enacted in the future that will be directly applicable to certain aspects of PuriVerde's businesses. PuriVerde cannot predict the nature of any future laws, regulations, interpretations or applications, nor can it determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on PuriVerde's business. Management expects that the legislative and regulatory environment in the cannabis industry in Colombia and internationally will continue to be dynamic and will require innovative solutions to try to comply with this changing legal landscape in this nascent industry for the foreseeable future. Compliance with any such legislation may have a material adverse effect on PuriVerde's business, financial condition and results of operations. Public opinion can also exert a significant influence over the regulation of the cannabis industry. A negative shift in the public's perception of the cannabis industry could affect future legislation or regulation in different jurisdictions.

Political and Operational Risks

Operations in Colombia are subject to risk due to the potential for social, political, economic, legal and fiscal instability. The government in Colombia faces ongoing problems including but not limited to inflation, unemployment and inequitable income distribution. Colombia is also home to South America's largest and longest running insurgency and large swaths of the countryside are under guerrilla influence. In addition, Colombia experiences narcotics-related violence, a prevalence of kidnapping and extortionist activities and civil unrest in certain areas of the country. Such instability may require PuriVerde to suspend operations on its properties. Although PuriVerde is not presently aware of any circumstances or facts which may cause the following to occur, other risks may involve matters arising out of the evolving laws and policies in Colombia, any future imposition of special taxes or similar charges, as well as foreign exchange fluctuations and currency convertibility and controls, the unenforceability of contractual rights or the taking or nationalization of property without fair compensation, restrictions on the use of expatriates in PuriVerde's operations, or other matters. PuriVerde also bears the risk that changes can occur in the government of Colombia and a new government may void or change the laws and regulations that PuriVerde is relying upon. Currently there are no restrictions on the repatriation from Colombia of earnings to foreign entities and Colombia has never imposed such restrictions. However, there can be no assurance that restrictions on repatriation of earnings from Colombia will not be imposed in the future. Exchange control regulations require that any proceeds in foreign currency originated on exports of goods from Colombia (including minerals) be repatriated to Colombia. However, purchase of foreign currency is allowed through any Colombian authorized financial entities for purposes of payments to foreign suppliers, repayment of foreign debt, payment of dividends to foreign stockholders and other foreign expenses.

8.4 JMS International Packaging Risk

Competition

JMS International Packaging operates in a competitive environment. In the past, it has encountered pricing pressures in its markets and could experience further declines in prices of plastic packaging as a result of competition. Although JMS International Packaging has been able over time to partially offset pricing pressures by reducing its cost structure and making the manufacturing process more efficient by providing new and innovative technology, it may not be able to continue to do so in the future. The business, results of operations and financial condition may be materially and adversely affected by further declines in prices of plastic packaging and such further declines could lead to a loss of business and a decline in profitability.

Innovation and technological changes

JMS International Packaging's success may depend on its ability to adapt to technological changes in the plastic packaging industry. If it is unable to timely develop and introduce new products, or enhance existing products, in response to changing market conditions or customer requirements or demands, its competitiveness could be materially and adversely affected.

Intellectual Property

JMS International Packaging relies on a combination of patents and trademarks, licensing agreements and unpatented proprietary know-how and trade secrets to establish and protect its intellectual property rights. JMS International Packaging enters into confidentiality agreements with customers, vendors, employees, consultants and potential acquisition candidates as necessary to protect its know-how, trade secrets and other proprietary information. However, these measures and patents and trademarks may not afford complete protection of the intellectual property, and it is possible that third parties may copy or otherwise obtain and use JMS International Packaging's proprietary information and technology without authorization or otherwise infringe on its intellectual property rights. JMS International Packaging cannot assure that its competitors will not independently develop equivalent or superior know-how, trade secrets or production methods. Significant impairment of its intellectual property rights could harm JMS International Packaging's business or its ability to compete. For example, if it is unable to maintain the proprietary nature of its technologies, JMS International Packaging's profit margins could be reduced as competitors could more easily imitate its products, possibly resulting in lower prices or lost sales for certain products. In such a case, JMS International Packaging's business, results of operations and financial condition may be materially and adversely affected.

JMS International Packaging may be periodically involved in litigation in the course of its business to protect and enforce its intellectual property rights, and third parties may from time to time initiate claims or litigation asserting infringement or violation of their intellectual property rights. JMS International Packaging cannot assure that its products will not be found to infringe upon the intellectual property rights of others. Further, JMS International Packaging cannot assure that it will prevail in any such litigation, or that the results or costs of any such litigation will not have a material adverse effect on its business. Any litigation concerning intellectual property could be protracted and costly and is inherently unpredictable and could have a material adverse effect on JMS International Packaging's business, results of operations or financial condition regardless of its outcome.

Access to Equipment

Access to blow molding equipment is important to JMS International Packaging's ability to expand its operations. JMS International Packaging has access to a broad array of blow molding equipment and suppliers. However, if JMS International Packaging fails to continue to access this new blow molding equipment or these suppliers, its ability to expand its operations may be materially and adversely affected until alternative sources of technology can be arranged.

Environmental Costs and Liabilities.

JMS International Packaging is subject to a variety of national, state, foreign, provincial and/or local laws and regulations that impose limitations and prohibitions on the discharge and emission of, and establish standards for the use, disposal and management of regulated materials and waste, and that impose liability for the costs of investigating and cleaning up damages resulting from present and past spills, disposals or other releases of hazardous substances or materials. These domestic and international environmental laws can be complex and may change often, the compliance expenses can be significant and violations may result in substantial fines and penalties. As a result, JMS International Packaging may be liable for contamination at properties that it currently owns or operates. As a manufacturer, JMS International Packaging has an inherent risk of liability under environmental laws, both with respect to ongoing operations and with respect to contamination that may have occurred in the past on its properties or as a result of its operations. JMS International Packaging could, in the future, incur a material liability resulting from the costs of complying with environmental laws or any claims concerning noncompliance, or liability from contamination.

JMS International Packaging cannot predict what environmental legislation or regulations will be enacted in the future, how existing or future laws or regulations will be administered or interpreted, or what environmental conditions may be found to exist at its facilities or at third party sites for which it is liable. Enactment of stricter laws or regulations, stricter interpretations of existing laws and regulations or the requirement to undertake the investigation or remediation of currently unknown environmental contamination at its own or third-party sites may require JMS International Packaging to make additional expenditures, some of which could be material.

In addition, a number of governmental authorities, both in Canada and abroad, have considered, or are expected to consider, legislation aimed at reducing the amount of plastic wastes disposed. Programs have included, for example, mandating certain rates of recycling and/or the use of recycled materials, imposing deposits or taxes on plastic packaging material and requiring retailers or manufacturers to take back packaging used for their products. Legislation, as well as voluntary initiatives similarly aimed at reducing the level of plastic wastes, could reduce the demand for certain plastic packaging, result in greater costs for plastic packaging manufacturers or otherwise impact JMS International Packaging's business. Some consumer products companies, including some of JMS International Packaging's customers, have responded to these governmental initiatives and to perceived environmental concerns of consumers by using containers made in whole or in part of recycled plastic. Future legislation and initiatives could adversely affect JMS International Packaging in a manner that would be material.

Litigation – Complaint filed by former shareholder

A former employee/director/shareholder of JMS International Packaging has filed a complaint with the Quebec Superior Court, Saint-François district, on June 1, 2018. He is claiming the payment of approximately \$145,000 and the value of the shares he owned in JMS International Packaging as of March 1, 2018. JMS International Packaging's management believes that these claims are not valid and ill-founded. As of the date of this Offering, no agreement has been reached with the plaintiff. On March 18, 2019, JMS International Packaging has filed a defense denying any wrong-doing and has filed a counter-claim in the amount of \$2,800,000 against the former employee/director/shareholder.

ITEM 9 REPORTING OBLIGATIONS

9.1. Reporting to Unitholders

The Trust is not a reporting issuer in any jurisdiction. It is therefore not required to disclose material changes which occur in its business and affairs, nor is it required to file with any securities regulatory authorities or provide to Unitholders audited interim financial statements or audited year-end financial statements of the Trust.

Financial or other information relating to the Trust and provided to you in the future may not by itself be sufficient for your needs to enable you to prepare your income tax returns or to assess the performance of your investment.

The Trust will furnish to Unitholders, in accordance with applicable securities laws, all financial statements of the Trust, Transition Innovation OpTrust, Cannasher LP and JMS Packaging LP (including annual and, when required, quarterly financial statements and certifications) and other reports as are from time to time required by applicable law within the delays prescribed therein, including prescribed forms needed for the completion of the Unitholder's tax returns under the Tax Act and equivalent provincial legislation. In addition, the Trustees will supply Unitholders with any information that may be required by them in connection with their obligations under the Tax Act and equivalent provincial legislation.

ITEM 10 RESALE RESTRICTIONS

These Units are subject to a number of resale restrictions under securities legislation, including a restriction on trading. Unless or until the restrictions on trading expire, you will not be able to trade the Units unless you are eligible to rely on and comply with an exemption from the prospectus and registration requirements under securities legislation. For information about these resale restrictions you should consult a lawyer.

10.1. General Statement

For trades in Alberta, British Columbia, Saskatchewan, Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories:

The Units will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Units unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

10.2. Restricted Period

For trades in Alberta, British Columbia, Saskatchewan, Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories:

Unless permitted under securities legislation, you cannot trade the Units without an exemption before the date that is 4 months and a day after the date the Trust becomes a reporting issuer in any province or territory of Canada.

The Trust does not intend to become a reporting issuer in any province or territory of Canada.

10.3. Manitoba Resale Restrictions

For Manitoba residents, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

- the Trust has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or
- you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

ITEM 11 PURCHASERS' RIGHTS

If you purchase the Units you will have certain rights, some of which are described below. For complete information about your rights, you should consult a lawyer.

Two Day Cancellation Right for a Subscriber

You can cancel your agreement to purchase the Units. To do so, you must send a notice to the Trust before midnight on the second business day after you sign the Subscription Agreement in respect of the Units.

Rights of Action in the Event of a Misrepresentation

Applicable securities laws in the Offering Jurisdictions provide you with a remedy to sue to cancel your agreement to buy the securities or for damages if this Offering Memorandum, or any amendment thereto, contains a misrepresentation. Unless otherwise noted, in this section, a "misrepresentation" means an untrue statement or omission of a material fact that is required to be stated or that is necessary in order to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made.

These remedies are available to you whether or not you relied on the misrepresentation. However, there are various defences available to the Persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In addition, these remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by you within the strict time limit prescribed in the applicable securities laws.

The applicable contractual and statutory rights are summarized below. By its execution of the Subscription Agreement, the Trust will be deemed to have granted these rights to you. Subscribers should refer to the applicable securities laws of their respective Offering Jurisdiction for the particulars of these rights or consult with professional advisors.

Statutory Rights of Action for Subscribers in the Province of British Columbia

Securities legislation in British Columbia provides that every purchaser of securities pursuant to this Offering Memorandum shall have, in addition to any other rights they may have at law, a right of action for damages against the Trust, every director of the Trust at the date of the Offering Memorandum or any person who signed the Offering Memorandum. The purchaser may also elect to exercise a right of rescission against the Trust in which case the purchaser has no right of action for damages. Purchasers should refer to the applicable provisions of the British Columbia securities legislation for particulars of those rights or consult with a lawyer. This right of action may be summarized as set forth below.

If there is a misrepresentation in this Offering Memorandum, purchasers have a statutory right to sue:

- a) the Trust to cancel their agreement to buy the Units; or
- b) for damages against the Trust, directors of the issuer at the date of the Offering Memorandum and any person who signed the Offering Memorandum (collectively defined as the "Insiders" for this section).

If this Offering Memorandum or any amendment thereto contains a misrepresentation and it was a misrepresentation on the date of investment, a purchaser to whom such Offering Memorandum was delivered and who purchases securities shall have a right of action for rescission or alternatively for damages against the Insiders. A purchaser who purchases a security offered by the Offering Memorandum during the period of distribution shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the Trust:

- a) the purchaser may elect to exercise a right of rescission against the Trust in which case the purchaser does not have a right of action for damages against the Insiders;
- b) the Insiders are not liable under subsection (a) if the Trust proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- c) in an action for damages pursuant to subsection (a), the Insiders are not liable for all or any portion of the damages that the Insiders prove do not represent the depreciation in value of the security as a result of the misrepresentation relied on;

- d) in no case shall the amount recoverable by the purchaser exceed the price at which the securities were sold to the purchaser; and
- e) the right of action for damages or rescission will be in addition to any other right or remedy available to the purchaser at law.

Statutory Rights of Action for Subscribers in the Province of Alberta

Securities legislation in Alberta provides that every purchaser of securities pursuant to this Offering Memorandum shall have, in addition to any other rights they may have at law, a right of action for damages or rescission, or both, against the Trust or selling security holder on whose behalf the distribution is made if the Offering Memorandum or any amendment thereto contains a misrepresentation. However, such rights must be exercised within prescribed time limits. Purchasers should refer to the applicable provisions of the Alberta securities legislation for particulars of those rights or consult with a lawyer. This right of action may be summarized as set forth below.

If there is a misrepresentation in this Offering Memorandum, purchasers have a statutory right to sue:

- a) the Trust to cancel their agreement to buy the Units; or
- b) for damages against the Trust, directors of the issuer at the date of the Offering Memorandum and every person who signed this Offering Memorandum.

This statutory right to sue is available to the purchaser whether or not the purchaser relied on the misrepresentation. However, there are various defences available to the persons or companies that the purchaser has the right to sue. In particular, the Trust would have a defence if the purchaser knew of the misrepresentation when the purchaser purchased the Units.

If the purchaser intends to rely on the rights described in (a) or (b) above, the purchaser must do so within strict time limitations. The purchaser must commence its action to cancel the agreement by notice to the Trust within 180 days and must commence its action for damages by notice to the Trust within one year from the date of the transaction.

If this Offering Memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact which is required to be stated or which is necessary in order to make any statement therein not misleading in light of the circumstances in which it was stated (herein called a “misrepresentation”) and it was a misrepresentation on the date of investment, a purchaser to whom this Offering Memorandum was delivered and who purchases securities shall have a right of action for rescission or alternatively for damages against the Trust, while still the owner of any of the securities offered hereunder, provided that, if the Offering Memorandum contains a misrepresentation, a purchaser who purchases a security offered by the Offering Memorandum during the period of distribution shall be deemed to have relied on the representation if it was a misrepresentation at the time of purchase, and has a right of action for damages against the Trust:

- a) the purchaser may elect to exercise a right of rescission against the Trust in which case the purchaser does not have a right of action for damages against the Trust;
- b) the Trust is not liable under subsection (a) if the Trust proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- c) in an action for damages pursuant to subsection (a), the Trust is not liable for all or any portion of the damages that the Trust proves does not represent the depreciation in value of the security as a result of the misrepresentation relied on;
- d) in no case shall the amount recoverable by the purchaser exceed the price at which the securities were sold to the purchaser; and
- e) the right of action for damages or rescission will be in addition to any other right or remedy available to the purchaser at law.

Statutory Rights of Action for Subscribers in the Province of Saskatchewan

In the event that this Offering Memorandum and any amendment thereto or advertising or sales literature used in connection therewith delivered to a purchaser of the securities resident in Saskatchewan contains an untrue statement of a fact that significantly affects, or would reasonably be expected to have a significant effect on, the

market price or value of the securities (herein called a “material fact”) or omits to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (herein called a “misrepresentation”), a purchaser will be deemed to have relied upon that misrepresentation and will have a right of action for damages against the Trust, the promoters and “directors” (as defined in *The Securities Act, 1988* (Saskatchewan)) of the Trust, every person or company whose consent has been filed with this Offering Memorandum or amendment thereto but only with respect to reports, opinions or statements that have been made by them, every person who signed this Offering Memorandum or any amendment thereto, and every person who or company that sells the securities on behalf of the Trust under this Offering Memorandum or amendment thereto.

Alternatively, where the purchaser purchased the securities from the Trust, the purchaser may elect to exercise a right of rescission against the Trust.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the securities and the verbal statement is made either before or contemporaneously with the purchase of the securities, the purchaser has a right of action for damages against the individual who made the verbal statement.

No persons or company is liable, nor does a right of rescission exist, where the persons or company proves that the purchaser purchased the securities with knowledge of the misrepresentation. In an action for damages, no persons or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied on.

No action shall be commenced to enforce these rights more than:

in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

in the case of any action, other than an action for rescission, the earlier of one year after the purchaser first had knowledge of the facts giving rise to the cause of action or six years after the date of the transaction that gave rise to the cause of action.

These rights are (i) in addition to and do not derogate from any other right the purchaser may have at law; and (ii) subject to certain defences as more particularly described in *The Securities Act, 1988* (Saskatchewan).

Statutory Rights of Action for Subscribers in the Province of Manitoba

In the event that this Offering Memorandum (including any amendment hereto) delivered to a purchaser of Units resident in Manitoba, contains a misrepresentation and it is a misrepresentation at the time of purchase, the purchaser shall be deemed to have relied upon the misrepresentation and shall have, in addition to any other rights they may have at law: (a) a right of action for damages against (i) the Trust, (ii) every director of the Trust at the date of this Offering Memorandum (collectively, the “Directors”), and (iii) every person or company who signed this Offering Memorandum (collectively, the “Signatories”); and (b) a right of rescission against the Trust.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into this Offering Memorandum, the misrepresentation is deemed to be contained in this Offering Memorandum.

A purchaser may elect to exercise a right of rescission against the Trust, in which case the purchaser will have no right of action for damages against the Trust, Directors or Signatories.

The Trust, the Directors and Signatories will not be liable if they prove that the purchaser purchased Units with knowledge of the misrepresentation.

All persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A person or company who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

A Director or Signatory will not be liable:

- a) if they prove this Offering Memorandum was sent or delivered to the purchaser without their knowledge or consent and, on becoming aware of its delivery, gave reasonable notice to the Trust that it was delivered without their knowledge and consent;
- b) if they prove that, after becoming aware of a misrepresentation in this Offering Memorandum, they withdrew their consent to this Offering Memorandum and gave reasonable notice to the Trust of their withdrawal and the reasons therefore;
- c) if, with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert ("Expert Opinion"), such person proves they did not have any reasonable grounds to believe and did not believe that there was a misrepresentation or that the relevant part of this Offering Memorandum did not fairly represent the Expert Opinion or was not a fair copy of, or an extract from, such Expert Opinion; or
- d) with respect to any part of this Offering Memorandum not purporting to be made on an expert's authority, or not purporting to be a copy of, or an extract from an Expert Opinion, unless the Director or Signatory (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

In an action for damages, the Trust, the Directors and Signatories will not be liable for all or any part of the damages that they prove do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon. The amount recoverable under the right of action shall not exceed the price at which the Units were offered for sale.

A purchaser of Units to whom this Offering Memorandum was not delivered prior to such purchase in circumstances where such Offering Memorandum was required to be delivered has a right of rescission or a right of action for damages against the Trust or any dealer who failed to deliver the Offering Memorandum within the prescribed time.

A purchaser of Units to whom the Offering Memorandum is required to be sent may rescind the contract to purchase the Units by sending a written notice of rescission to the Trust not later than midnight on the second day, excluding Saturdays, Sun days and statutory holidays, after the purchaser signs the agreement to purchase the Units.

Unless otherwise provided under applicable securities legislation, no action shall be commenced to enforce a right of action unless the right is exercised not later than:

- a) in the case of rescission, 180 days from the day of the transaction that gave rise to the cause of action; or
- b) in the case of an action, other than an action for rescission, the earlier of (i) 180 days from the day the purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) two years from the day of the transaction that gave rise to the cause of action.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of The Securities Act (Manitoba) and are subject to the defences contained therein.

Statutory Rights of Action for Subscribers in the Province of Ontario

Section 6.2 of Ontario Securities Commission Rule 45-501 ("**Rule 45-501**") provides that when an offering memorandum is delivered to a prospective purchaser resident in the Province of Ontario to whom securities are sold in reliance upon the prospectus exemption contained in section 2.3 [*accredited investor*] of National Instrument 45-106, the right of action referred to in Section 130.1 of the *Securities Act* (Ontario) (the "Act") shall be described in the offering memorandum.

Section 130.1 of the Act and Rule 45-501 provide that in the event that this Offering Memorandum, together with any amendments hereto, is delivered to a prospective purchaser in the Province of Ontario and contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made, a purchaser in Ontario who purchases securities offered by this Offering Memorandum (other than a purchaser purchasing under the accredited investor exemption that is a Canadian financial institution or a Schedule III Bank, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada) or a subsidiary of any such entity if the such entity owns all of the voting securities of the subsidiary, except the voting securities required by

law to be owned by the directors of that subsidiary) will have a right of action against the Trust for damages or rescission as follows:

- a) the right of action for rescission or damages will be exercisable by an investor resident in Ontario, only if the investor gives written notice to the Trust, not later than 180 days after the date on which payment was made for the securities (or after the initial payment was made for the securities, where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to or concurrently with the initial payment), that the investor is exercising this right, or alternatively, in an action for damages, the right of action will be exercisable by an investor only if the investor gives notice to the Trust not later than the earlier of:
 - i) 180 days after the investor had knowledge of the facts giving rise to the cause of action; or
 - ii) three years after the date of the transaction giving rise to the cause of action;
- b) the Trust will not be liable if it proves that the investor purchased securities with knowledge of the misrepresentation;
- c) in the case of an action for damages, the Trust will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation that the investor relied upon;
- d) in no case will the amount recoverable in any action exceed the price at which the securities were sold to the investor; and
- e) the rights of action for rescission or damages are in addition to and without derogation from any other right the investor may have at law.

Reference is made to the *Securities Act* (Ontario) for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the *Securities Act* (Ontario).

Statutory Rights of Action for Subscribers in the Province of Quebec

If this Offering Memorandum, together with any amendment to it, is delivered to a Subscriber resident in Quebec and contains a misrepresentation that was a misrepresentation at the time of purchase, the Subscriber will be deemed to have relied upon the misrepresentation and will have a statutory right of action against the issuer, the officers and directors of the issuer or any dealer under contract with the issuer for damages or for rescission or revision of the price.

This right of action is subject to the following limitations:

- a) the right of action for rescission or revision of the price must be exercised within three years of the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission or revision of the purchase price, the earlier of: (i) three years after the plaintiff first had knowledge of the facts giving rise to the cause of action unless the delay in knowledge is caused by the negligence of the plaintiff, or (ii) five years after the Offering Memorandum is filed with the *Autorité des marchés financiers*;
- b) no person or company will be liable if it proves that the Subscriber acquired the Units with knowledge of the misrepresentation;
- c) in the case of an action for damages, the officers or directors of the issuer or the dealer under contract with the issuer will not be liable if they acted with prudence and diligence; and
- d) a defendant may defeat an action based on a misrepresentation in forward-looking information by proving that
 - i) the document containing the forward-looking information contained, proximate to that information,

- (A) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - (B) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and
- ii) the defendant had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

Statutory Rights of Action for Subscribers in the Province of New Brunswick

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue in New Brunswick:

- (1) the Trust to cancel your agreement to buy the Units; or
- (2) for damages against the Issuer and a selling security holder on whose behalf the distribution is made.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Units were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if they prove that you knew of the misrepresentation when you purchased the Units.

In New Brunswick, the defendant will not be liable for a misrepresentation in forward-looking information if the Issuer proves that:

- (1) this Offering Memorandum contained, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (2) the Trust has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

However, in New Brunswick, the above defence does not relieve a person of liability respecting forward -looking information in a financial statement.

If you intend to rely on the statutory rights to sue described above, you must do so within strict time limitations.

In New Brunswick, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) one year after you knew of the misrepresentation, or (ii) six years after the transaction.

Statutory Rights of Action for Subscribers in the Province of Prince Edward Island

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue in Prince Edward Island:

- (1) the Trust to cancel your agreement to buy these securities; or
- (2) for damages against the Trust, any selling security holder on whose behalf the distribution is made and any director of the Trust (who was a director at the date of this Offering Memorandum), and any person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your securities as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the securities were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if they prove that you knew of the misrepresentation when you purchased the securities.

The defendant will not be liable for a misrepresentation in forward-looking information if the Trust proves that:

- (1) this Offering Memorandum contained, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (2) the Trust has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

However, in Prince Edward Island, the above defence does not relieve a person of liability respecting forward-looking information in a financial statement required to be filed under Prince Edward Island securities laws. If you intend to rely on the statutory rights to sue described above, you must do so within strict time limitations.

In Prince Edward Island, you must commence your action to cancel the agreement to purchase securities within 180 days after the transaction or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) three years after the transaction.

Statutory Rights of Action for Subscribers in Newfoundland and Labrador

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a contractual right to sue:

- a) to cancel your agreement to buy these Units; or
- b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Units were offered. There are various defences available to the Trust should you exercise a right to sue. For example, it has a defence if you knew of the misrepresentation when you purchased the Units.

Time limitations

If you intend to rely on the rights described above, you must do so within strict time limitations.

In Newfoundland and Labrador, you must commence your action to rescind your agreement to purchase Units within 180 days after you signed the agreement to purchase the Units or commence your action for damages within the earlier of: (1) 180 days after learning of the misrepresentation, or (2) three years after the transaction.

Statutory Rights of Action for Subscribers in the Province of Nova Scotia

If this offering memorandum, together with any amendment thereto, contains a misrepresentation, an investor in Nova Scotia who purchases a security offered by this offering memorandum during the period of distribution shall be deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and such investor shall have a right of action for damages against the Trust and every person or company who signed the offering memorandum or, at the election of the investor, a right of rescission against the Trust (in which case the investor does not have a right of action for damages), provided that:

- a) no action may be commenced to enforce a right of action:

- i) for rescission more than 180 days after the date of the purchase; and
 - ii) for damages later than the earlier of (A) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, and (B) three years after the date of purchase;
- b) where a misrepresentation is contained in an offering memorandum, the Trust or any person or company is not liable for damages:
 - i) if it is proven that the purchaser had knowledge of the misrepresentation;
 - ii) if it is proven that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of the person or company;
 - iii) if it is proven that the person or company, on becoming aware of the misrepresentation in the offering memorandum, withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;
 - iv) if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
 - v) with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or believed there had been a misrepresentation;
- c) the amount recoverable under this section shall not exceed the price at which the securities were offered under the offering memorandum;
- d) subsection (b)(ii) to (v) do not apply to the Trust;
- e) in an action for damages, the Trust or any person or company will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the security as a result of the misrepresentation; and
- f) in no case shall the amount recoverable exceed the price at which the security was offered.

Statutory Rights of Action for Subscribers in the Northwest Territories

If an Offering Memorandum contains a misrepresentation, a Subscriber who purchases a security offered by the Offering Memorandum during the period of distribution has, without regard to whether the Subscriber relied on the misrepresentation, a right of action for damages against the Trust, the selling holder of a Unit on whose behalf the distribution is made, every director of the Trust at the date of the Offering Memorandum, and every person who signed the Offering Memorandum. If an Offering Memorandum contains a misrepresentation, a Subscriber who purchases a security offered by the Offering Memorandum during the period of distribution has a right of action for rescission against the Trust or the selling security holder on whose behalf the distribution is made. If the Subscriber elects to exercise a right of action for rescission, the Subscriber shall have no right of action for damages.

A defendant is not liable if he or she proves that the Subscriber purchased the securities with knowledge of the misrepresentation. A person, other than the Trust and selling security holder, is not liable if he or she proves that:

- a) the Offering Memorandum was sent to the Subscriber without the person's knowledge or consent and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the knowledge and consent of the person;

- b) the person, on becoming aware of the misrepresentation in the Offering Memorandum, had withdrawn their consent to the Offering Memorandum and given reasonable notice to the Trust of the withdrawal and the reason for it;
- c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:
 - i) there had been a misrepresentation, or
 - ii) the relevant part of the Offering Memorandum:
 - (1) there had been a misrepresentation, or
 - (2) the relevant part of the offering memorandum did not fairly represent the report, statement or opinion of the expert, or was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

A defendant, other than the Trust and selling holder of a Unit, is not liable with respect to any part of an Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person:

- A. failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
- B. believed that there had been a misrepresentation.

A defendant is not liable with respect to a misrepresentation in forward-looking information if the offering memorandum containing the forward-looking information also contains, proximate to the forward-looking information,

- a) reasonable cautionary language identifying the forward-looking information as such forecast or projection in the forward- looking information; and
- b) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- c) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward - looking information.

In an action for damages, the defendant is not liable for any damages that the defendant proves do not represent the depreciation in value of the Units resulting from the misrepresentation. The amount recoverable by a plaintiff must not exceed the price at which the Units purchased by the plaintiff were offered. The right of action for rescission or damages is in addition to and without derogation from any other right the Subscriber may have at law. If a misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an Offering Memorandum, the misrepresentation is deemed to be contained in the Offering Memorandum.

Statutory Rights of Action for Subscribers in the Yukon Territory

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, then you have a statutory right to sue in Yukon:

- a) for the Trust to cancel your agreement to buy these securities; or
- b) for damages against the Trust, every person who was a director of the Trust at the date of this Offering Memorandum and any other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your securities as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the securities were offered. There are various defences available to the persons or

companies that you have a right to sue. For example, they have a defence if you knew of the misrepresentation when you purchased the securities.

The defendant will not be liable for a misrepresentation in forward-looking information if the Trust proves that:

- a) this Offering Memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- b) the Trust has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

However, in Yukon, the above defence does not relieve a person of liability respecting forward-looking information in a financial statement required to be filed under Yukon securities laws.

If you intend to rely on the statutory right to sue described above, you must do so within strict time limitations.

In Yukon, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of:

- i) 180 days after learning of the misrepresentation, or
- ii) three years after the transaction.

Statutory Rights for Failure to Deliver the Offering Memorandum in Yukon

If you reside in Yukon and you did not receive a copy of this Offering Memorandum before you signed your Subscription Agreement, you have a right to sue for damages, or if you still own your securities, you can choose to cancel your agreement instead of suing for damages.

Statutory Rights of Action for Subscribers in the Nunavut Territory

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue in Nunavut:

- a) the Trust to cancel your agreement to buy the Units; or
- b) for damages against the Trust, any selling security holder on whose behalf the distribution is made, any director of the Trust (who was a director at the date of this Offering Memorandum), and any person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your securities as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the securities were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if they prove that you knew of the misrepresentation when you purchased the securities.

The defendant will not be liable for a misrepresentation in forward-looking information if the Trust proves that:

- a) this Offering Memorandum contained, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- b) the Trust has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

If you intend to rely on the statutory rights to sue described above, you must do so within strict time limitations.

In Nunavut, you must commence your action to cancel the agreement to purchase securities within 180 days after the transaction or commence your action for damages within the earlier of:

- i) 180 days after learning of the misrepresentation, or
- ii) three years after the transaction.

Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them.

THE FOREGOING IS A SUMMARY ONLY AND SUBJECT TO INTERPRETATION.

**REFERENCE SHOULD BE MADE TO THE APPLICABLE SECURITIES LEGISLATION, THE
REGULATIONS
AND THE RULES THEREUNDER FOR THE COMPLETE TEXT OF THE PROVISIONS UNDER
WHICH
THE FOREGOING RIGHTS ARE CONFERRED.**

THE FOREGOING SUMMARY IS SUBJECT TO THE EXPRESS PROVISIONS THEREOF.

ITEM 12 FINANCIAL STATEMENTS

The audited opening balance sheet of the Trust, dated March 27, 2019, is attached hereto.

Transition Innovation Income Trust

Opening Balance Sheet

March 27, 2019

Transition Innovation Income Trust
Opening Balance Sheet
March 27, 2019

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Notice to Reader

**Raymond Chabot
Grant Thornton LLP**
Suite 500
455 King Street West
Sherbrooke, Quebec J1H 6G4

T 819-822-4000
Toll-free: 1-800-567-6958

On the basis of information provided by the trustees, we have compiled the opening balance sheet of Transition Innovation Income Trust as at March 27, 2019.

We have not performed an audit or a review engagement in respect of this financial statement and, accordingly, we express no assurance thereon.

Readers are cautioned that this statement may not be appropriate for their purposes.

Prior to compiling Transition Innovation Income Trust's financial statement, we handled the Trust's bookkeeping and prepared journal entries having a material impact on the financial statement.

*Raymond Chabot Grant Thornton LLP*¹

Sherbrooke
April 2, 2019

¹ CPA, CA CPA permit no. 111338

Transition Innovation Income Trust **Opening Balance Sheet**

March 27, 2019

(Unaudited - See Notice to Reader)

	<u>\$</u>
ASSETS	
Cash	<u>100</u>
EQUITY	
10 common units	<u>100</u>

(Signed) François Castonguay
Trustee

(Signed) Ginette Fortin
Trustee

(Signed) Dany Bergeron
Trustee

Transition Innovation Income Trust

Note to Financial Statement

March 27, 2019

(Unaudited - See Notice to Reader)

GOVERNING STATUTES

The Trust is an unincorporated, open-ended, limited purpose trust, established pursuant to Articles 1260 and following of the Civil Code.

ITEM 13 DATE AND CERTIFICATE

Dated: April 3, 2019

This Offering Memorandum does not contain a misrepresentation.

ON BEHALF OF THE TRUSTEES AND PROMOTERS OF TRANSITION INNOVATION INCOME TRUST

François Castonguay

Ginette Fortin

Dany Bergeron

APPENDIX A TO THE OFFERING MEMORANDUM -

TRUST STRUCTURE

1. TRANSITION INNOVATION INCOME TRUST

a. General

It is intended that the Trust will qualify as a mutual fund trust for the purpose of the Tax Act, although the Trust will not be a mutual fund under applicable securities laws.

The Trust is a limited purpose trust that was established to invest in subsidiaries that will, directly or indirectly, carry on Cannasher's and JMS International Packaging' businesses (collectively the "**Business**").

The structure of the Trust is set forth in the organizational chart attached as Exhibit 1 to this Schedule.

b. Terms of Securities

The Trust intends to make regular distributions representing an amount equal to the Maximum Distribution (as defined below).

The Units issued under the Offering entitle the holders thereof to one vote for each whole Unit held at all meetings of voting Unitholders.

The Trust shall be entitled to purchase for cancellation at any time, from time to time, in whole or in part, the outstanding Units, at a price per Unit and on a basis determined by the Trustees.

Units are redeemable at any time on demand by the holders thereof. Upon receipt of the redemption notice by the Trust, all rights relating to the Units tendered for redemption will be surrendered and the Unitholder will be entitled to receive a price per Unit (the "**Redemption Price**") equal to the subscription price paid for that Unit under the offering completed pursuant to the Offering Memorandum, be \$10 (the "**Fixed Portion of the Redemption Price**") plus accrued but unpaid distributions for the period ending on the earlier of (i) the date that the Fixed Portion of the Redemption Price is paid and (ii) the month during which the redemption notice is received (the "**Variable Portion of the Redemption Price**").

The Redemption Price shall be reduced to ninety percent (90%) of the Fixed Portion of the Redemption Price for redemption of the Units by a Unitholder if the tender for redemption is made before the first anniversary from the issuance of Units by the Trust to a Unitholder requiring the redemption. The Redemption Price shall be reduced to ninety-six percent (96%) of the Fixed Portion of the Redemption Price for redemption of the Units by a Unitholder if the tender for redemption is made between the first anniversary and the second anniversary from the issuance of Units by the Trust to a Unitholder requiring the redemption. The Redemption Price shall be reduced to ninety-eight percent (98%) of the Fixed Portion of the Redemption Price for redemption of the Units by a Unitholder if the tender for redemption is made between the second anniversary and the third anniversary from the issuance of Units by the Trust to a Unitholder requiring the redemption. There will be no reduction of the Fixed Portion of the Redemption Price for redemption of the Units by a Unitholder if the tender for redemption is made after the third anniversary from the issuance of Units by the Trust to a Unitholder requiring the redemption.

It is intended that the Fixed Portion of the Redemption Price will be paid no later than five days after the end of the month in which the Units were tendered for redemption and that the Variable Portion of the Redemption Price will be paid concurrently to the Trust Distributions (as defined below) for the period in which the redemption occurred.

The aggregate Redemption Price payable by the Trust in respect of all Units surrendered for redemption during any quarter will be satisfied by way of a cash payment; provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitation that the total amount payable by the Trust in respect of such Units and all other Units tendered for redemption in the same quarter shall not exceed \$50,000.

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the foregoing limitations, then the Redemption Price for such Units shall be paid and satisfied by way of a distribution in kind of a note. Such

a note would not constitute a qualified investment for purposes of a Deferred Plan. You should consult your own professional advisers to obtain advice on the income tax consequences that apply to your situation.

c. Limitation on Non-Resident Ownership

In order for the Trust to maintain its status as a mutual fund trust under the Tax Act, the Trust must not be established or maintained primarily for the benefit of non-residents of Canada (“**Non-Residents**”) within the meaning of the Tax Act. Accordingly, for so long as it is required by the Tax Act to meet that test, the Declaration of Trust provides that at no time may non-residents of Canada be the beneficial owners of more than 49.9% of the Units.

The trustees of the Trust, in accordance with the Declaration of Trust, in their sole discretion, are authorized to take any action required so that the Trust continues to qualify as a mutual fund trust for purposes of the Tax Act.

d. Distributions to Unitholders

The Trust’s available cash consists of all cash amounts received by the Trust less estimated cash amounts required for repayment of the principal amount of any indebtedness or the payment of accrued interest thereon, costs, expenses, capital expenditures and other obligations of the Trust, cash redemptions and repurchases of Units and for income tax liability of the Trust, if any.

The Trust intends to make regular distributions of its available cash, if any, to the Unitholders on record on the last business day of each month (the “**Trust Distributions**”), at its discretion.

The Trust’s available cash will ultimately be derived from distributions made by Cannasher LP and JMS Packaging LP as a result of the Trust’s indirect interest in Cannasher LP and JMS Packaging LP through units held in Transition Innovation OpTrust.

Unitholders who are Non-Residents will be subject to withholding taxes in respect of any distribution of income by the Trust. Non-Residents should consult their own tax advisors regarding the tax consequences of investing in the Units.

Because of high liquidity necessity, there will be no distributions during the first two years of the Unit’s issuance. It is then intended that the Trust Distributions for Series 1 and Series 2 Units related to Cannasher are to be capped, for a given month starting at the end of the first quarter of 2020, to an amount corresponding to approximately 2.50% of the aggregate original subscription price of all outstanding Units on the first day of that given month (being 1/12 of the targeted return of 30% for the first 3 years aggregated). After these 36 months, it is intended that the Trust Distributions for Series 1 and Series 2 Units of Cannasher are to be capped, for a given month, to an amount corresponding to approximately 0.833% of the aggregate original subscription price of all outstanding Units on the first day of that given month (being 1/12 of the targeted return of 10%). Trust Distributions are subject to adjustment relating to the redemption of Units, if any, that occurred in a given period before the Trust Distributions for that given period.

Because of high liquidity necessity, there will be no distributions during the first two years of the Unit’s issuance. It is then intended that the Trust Distributions for Series 5 and Series 6 Units related to JMS International Packaging are to be capped, for a given month starting at the end of the first quarter of 2020, to an amount corresponding to approximately 2.50% of the aggregate original subscription price of all outstanding Units on the first day of that given month (being 1/12 of the targeted return of 30% for the first 3 years aggregated). After these 36 months, it is intended that the Trust Distributions for Series 5 and Series 6 Units of JMS International Packaging are to be capped, for a given month, to an amount corresponding to approximately 0.833% of the aggregate original subscription price of all outstanding Units on the first day of that given month (being 1/12 of the targeted return of 10%). Trust Distributions are subject to adjustment relating to the redemption of Units, if any, that occurred in a given period before the Trust Distributions for that given period.

2. Transition Innovation Operating Trust

a. General

Transition Innovation OpTrust was established to be a limited partner of Cannasher LP and JMS Packaging LP, which will carry on the Business.

To effect the investment in Cannasher LP and JMS Packaging LP, the Trust intends to subscribe for units and notes of Transition Innovation OpTrust, which will in turn use those subscriptions proceeds to subscribe for limited partnership units of Cannasher LP and JMS Packaging LP, which will then use those subscription proceeds to grant a loan or to subscribe to Convertible Debentures of Cannasher and JMS International Packaging to enable them to carry on their respective business.

The general partner of Cannasher LP and JMS Packaging LP will be GP, which will be wholly owned by Steven Blanchard and Pierre Blanchard.

b. Declaration of Trust of Transition Innovation OpTrust

The Trust will subscribe for series units and notes of Transition Innovation OpTrust and will be the sole unitholder of Transition Innovation OpTrust. The declaration of trust of Transition Innovation OpTrust provides that it is intended that the Trust will be the sole unitholder of Transition Innovation OpTrust at all times.

3. Cannasher Limited Partnership

a. General

Transition Innovation OpTrust will subscribe for limited partnership units of Cannasher LP, a limited partnership established under the laws of the Province of Quebec and formed on August 20, 2018. Transition Innovation OpTrust will be the sole limited partner of Cannasher LP.

GP is the general partner of Cannasher LP and, as mentioned, GP is wholly owned by Steven Blanchard and Pierre Blanchard. The president of GP is Pierre Blanchard. Cannasher LP's head office is located at 1686, chemin Laliberté, Sherbrooke, Québec, J1R 0C5.

b. Limited Partnership Agreement

Cannasher LP was formed to carry on the Business, in accordance with the terms of the Cannasher LP Agreement.

Subject to any limitation set out in the Cannasher LP Agreement and to the limitations provided for by law, GP has full power and exclusive authority for and on behalf of Cannasher LP to manage, conduct, control, administer and operate the business and affairs of Cannasher LP and shall be empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business of Cannasher LP described in the Cannasher LP Agreement and for the protection and benefit of Cannasher LP.

c. Distributions and OpTrust's Units Cap

Cannasher LP will make regular cash distributions of its available cash. Cannasher LP's cash available for distribution will be derived from the operation of the Business and will generally consist of all available cash on hand at the end of each payment period after satisfaction of (i) the costs associated with the offering described in the Offering Memorandum, (ii) the Structure Expenses, and (iii) the Redemption Expenses,

It is intended under the Cannasher LP Agreement that the cash distributions in favor of Transition Innovation OpTrust are to be capped, for a given payment period, at an amount equivalent to 10% annually of the aggregate value of all outstanding Units on the first day of that given period (subject to adjustment relating to the redemption of Units, if any, that occurred in a given period before the cash distributions for that given period) (the "**Maximum Distribution**"). However, because of high liquidity necessity, there will be no distributions during the first two years of the Unit's issuance. It is then intended that the cash distributions in favor of Transition Innovation OpTrust are to

be capped, for a given month starting at the end of the first quarter of 2020, to an amount corresponding to approximately 2.50% of the aggregate original subscription price of all outstanding Units on the first day of that given month (being 1/12 of the targeted return of 30% for the first 3 years aggregated). After these 36 months, it is intended that the cash distributions in favor of Transition Innovation OpTrust are to be capped, for a given month, to an amount corresponding to approximately 0.833% of the aggregate original subscription price of all outstanding Units on the first day of that given month (being 1/12 of the targeted return of 10%). The cash distributions are subject to adjustment relating to the redemption of Units, if any, that occurred in a given period before the distributions for that given period.

4. JMS Packaging Limited Partnership

a. General

Transition Innovation OpTrust will subscribe for limited partnership units of JMS Packaging LP, a limited partnership established under the laws of the Province of Quebec and formed on August 20, 2018. Transition Innovation OpTrust will be the sole limited partner of JMS Packaging LP.

GP is the general partner of JMS Packaging LP and, as mentioned, GP is wholly owned by Steven Blanchard and Pierre Blanchard. The president of GP is Pierre Blanchard. JMS Packaging LP's head office is located at 1686, chemin Laliberté, Sherbrooke, Québec, J1R 0C5.

b. Limited Partnership Agreement

JMS Packaging LP was formed to carry on the Business, in accordance with the terms of the JMS Packaging LP Agreement.

Subject to any limitation set out in the JMS Packaging LP Agreement and to the limitations provided for by law, GP has full power and exclusive authority for and on behalf of JMS Packaging LP to manage, conduct, control, administer and operate the business and affairs of JMS Packaging LP and shall be empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business of JMS Packaging LP described in the JMS Packaging LP Agreement and for the protection and benefit of JMS Packaging LP.

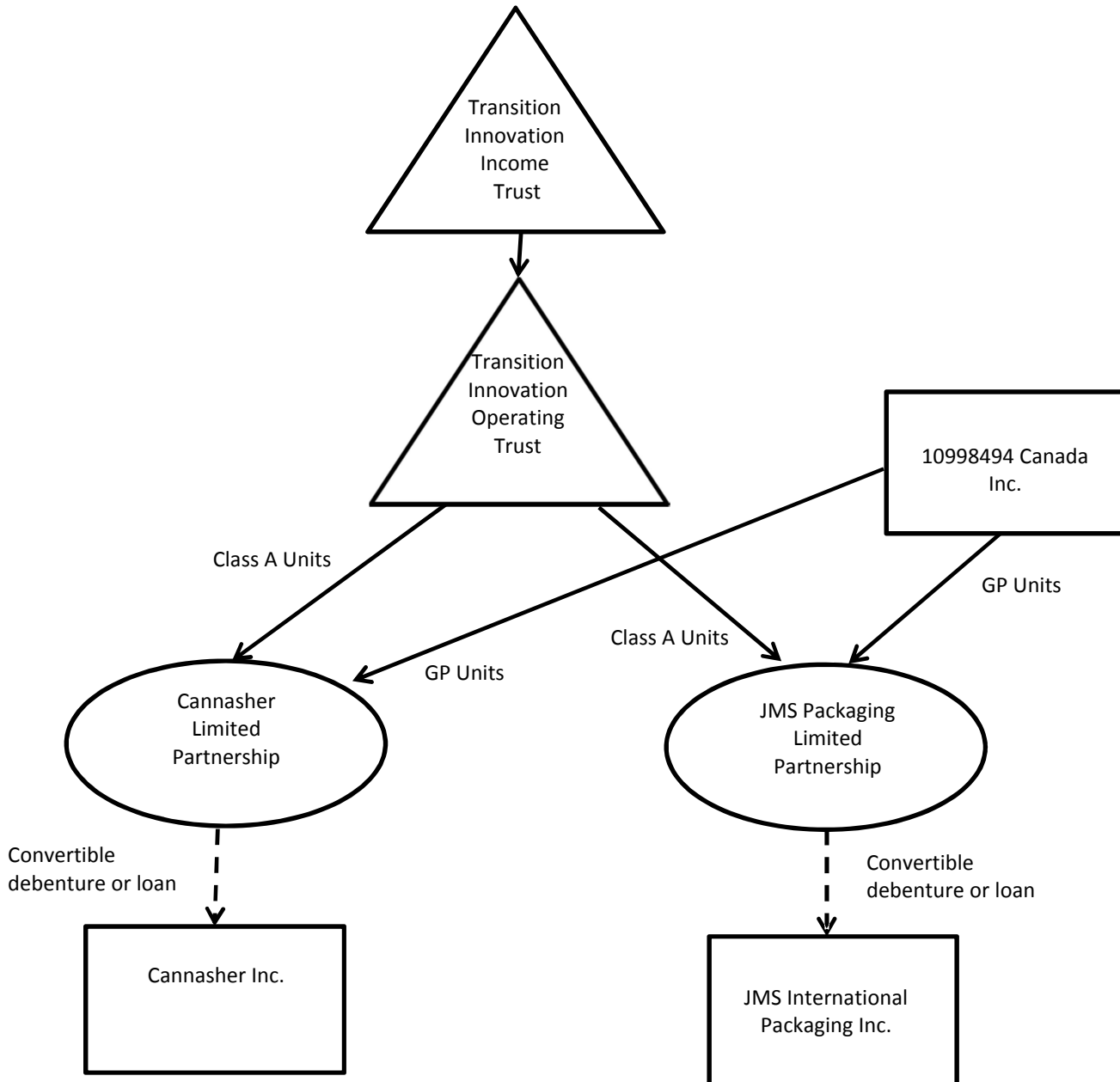
c. Distributions and OpTrust's Units Cap

JMS Packaging LP will make regular cash distributions of its available cash. JMS Packaging LP's cash available for distribution will be derived from the operation of the Business and will generally consist of all available cash on hand at the end of each payment period after satisfaction of (i) the costs associated with the offering described in the Offering Memorandum, (ii) the Structure Expenses, and (iii) the Redemption Expenses,

It is intended under the JMS Packaging LP Agreement that the cash distributions in favor of Transition Innovation OpTrust are to be capped, for a given payment period, at an amount equivalent to 10% annually of the aggregate value of all outstanding Units on the first day of that given period (subject to adjustment relating to the redemption of Units, if any, that occurred in a given period before the cash distributions for that given period) (the "**Maximum Distribution**"). However, because of high liquidity necessity, there will be no distributions during the first two years of the Unit's issuance. It is then intended that the cash distributions in favor of Transition Innovation OpTrust are to be capped, for a given month starting at the end of the first quarter of 2020, to an amount corresponding to approximately 2.50% of the aggregate original subscription price of all outstanding Units on the first day of that given month (being 1/12 of the targeted return of 30% for the first 3 years aggregated). After these 36 months, it is intended that the cash distributions in favor of Transition Innovation OpTrust are to be capped, for a given month, to an amount corresponding to approximately 0.833% of the aggregate original subscription price of all outstanding Units on the first day of that given month (being 1/12 of the targeted return of 10%). The cash distributions are subject to adjustment relating to the redemption of Units, if any, that occurred in a given period before the cash distributions for that given period.

EXHIBIT 1

POST-CLOSING ORGANIZATIONAL CHART



APPENDIX B TO THE OFFERING MEMORANDUM -
SUBSCRIPTION AGREEMENT
(See attached)

TRANSITION INNOVATION INCOME TRUST

PRIVATE PLACEMENT OF TRUST UNITS

SUBSCRIPTION INSTRUCTIONS

THE ACCOMPANYING SUBSCRIPTION AGREEMENT CONTAINS A NUMBER OF FORMS REQUIRED UNDER APPLICABLE SECURITIES LAWS, SOME OF WHICH YOU MUST COMPLETE AND OTHERS NOT DEPENDING ON SEVERAL FACTORS. PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY AS THEY WILL ASSIST YOU IN COMPLETING THIS SUBSCRIPTION AGREEMENT CORRECTLY.

1. **All Subscribers** must complete and sign pages 1 and 2 of the accompanying Subscription Agreement.

Accredited Investors

2. **If the Subscriber is an “accredited investor”** as defined in National Instrument 45-106 *Prospectus Exemptions* (“NI 45-106”) and wishes to subscribe pursuant to the “accredited investor” exemption under NI 45-106, complete and sign the “Representation Letter for Accredited Investors” in the form attached to the Subscription Agreement as Schedule A and Appendix I to Schedule A.
3. **If the Subscriber is an individual relying on paragraph (j), (k) or (l) of the “accredited investor” definition in NI 45-106** (as set out in Appendix I to Schedule A of this Subscription Agreement), complete and sign two copies of the “Form 45-106F9 – *Form for Individual Accredited Investors*” in the form attached to the Subscription Agreement as Appendix II to Schedule A.

\$150,000 Investments (Non-individuals)

4. **If the Subscriber is not an individual and is subscribing for securities with an acquisition cost not less than C\$150,000** and wishes to subscribe pursuant to the “minimum amount investment” exemption under NI 45-106, there are no schedules or appendices to be completed; however, by executing the Subscription Agreement, the Subscriber will be attesting to the accuracy of the representation set out in Section 3n)(ii) of the Subscription Agreement.

Other Subscribers

5. **All Subscribers, except for those subscribing pursuant to the “accredited investor” or “minimum amount investment” exemptions under NI 45-106 described above**, must complete and sign two copies of the “Risk Acknowledgement Form” attached to the Subscription Agreement as Schedule B (one copy to be retained by the Subscriber) and:
 - a. **If the Subscriber is subscribing as an “eligible investor”** as defined in NI 45-106, complete and sign one copy of the “Eligible Investor Representation Letter” attached to the Subscription Agreement as Schedule C; and
 - b. **If the Subscriber is resident in Ontario, Alberta, New Brunswick, Nova Scotia, Québec, or Saskatchewan** and is an individual, complete and sign two copies of Schedule D and Appendix I to Schedule D (one copy to be retained by the Subscriber).

All Subscribers

6. Deliver the duly completed and executed Subscription Agreement (including all applicable schedules and appendices thereto) to the Trust at **1686, chemin Laliberté, Sherbrooke (Quebec) J1R 0C5, Attn: Steven Blanchard** (Tel: 819-820-9777, Fax: 819-564-3293, Email: transitioninnovationvc@cannasher.ca).
7. Wire transfer an amount equal to the Aggregate Subscription Amount (as defined in the Subscription Agreement) in accordance with the instructions set out in Section 6(a) of the Subscription Agreement.

SUBSCRIPTION AGREEMENT

TO: TRANSITION INNOVATION INCOME TRUST (the “Trust”)

The undersigned (the “**Subscriber**”) hereby subscribes for and agrees to purchase from the Trust the number of units of the Trust set forth below (the “**Units**”) for the aggregate subscription amount set forth below, representing a subscription price of C\$10.00 for one (1) Series 1 Unit, of C\$10.00 for one (1) Series 5 Unit, of C\$10.00 for 1.06 Series 2 Units and of C\$10.00 for 1.06 Series 6 Units, upon and subject to the terms and conditions set forth in “Terms and Conditions of Subscription for Units of Transition Innovation Income Trust” attached hereto (the “**Subscription Agreement**”). **In addition to completing pages 1 and 2 of this Subscription Agreement, the Subscriber must also complete all applicable schedules and appendices hereto.**

SUBSCRIBER AND SUBSCRIPTION INFORMATION

Please print all information (other than signatures), as applicable, in the space provided below.

<div>Full legal name of Subscriber (please print)</div> <div>By: _____ Signature of Subscriber or its Authorized Representative</div> <div>Official Title or Capacity (please print)</div> <div>Name of Signatory (please print name of individual whose signature appears above if different than name of Subscriber)</div> <div>Date of Execution</div> <div>Social Insurance Number / Business Number</div> <div>Subscriber's Address (including postal code)</div> <div>Telephone Number (including area code)</div> <div>E-mail Address</div>	<div>Aggregate Subscription Amount: \$ _____</div> <div>Series 1 Units (Cannasher) <input type="checkbox"/> Series 5 Units (JMS) <input type="checkbox"/></div> <div>Series 2 Units (Cannasher « F ») <input type="checkbox"/> Series 6 Units (JMS « F ») <input type="checkbox"/></div> <div>Number of Units: _____</div> <div>If the Subscriber is signing as agent for a principal and is not deemed to be acting as principal pursuant to National Instrument 45-106 <i>Prospectus Exemptions</i>, complete the following and ensure that the applicable schedules attached hereto are completed in respect of such principal: <div>(Name of Principal)</div><div>(Principal's address)</div><div>Telephone Number) (E-mail Address)</div></div>
<div>Register the Units (if different from address above) as follows:</div> <div>Name</div> <div>Account reference, if applicable</div> <div>Contact Name</div> <div>Address (including postal code)</div>	<div>Deliver the Units (if different from address given) as follows:</div> <div>Name</div> <div>Account reference, if applicable</div> <div>Contact Name</div> <div>Address (including postal code)</div> <div>Telephone Number (including area code)</div>

A. **Present Ownership of Securities**

The Subscriber **[check appropriate box]**:

- ☐ owns directly or indirectly, or exercises control or direction over, no Units of the Trust or securities convertible into Units of the Trust (excluding the securities subscribed for herein); or
- ☐ owns directly or indirectly, or exercises control or direction over, _____ Units of the Trust and convertible securities entitling the Subscriber to acquire an additional _____ Units in the capital of the Trust (excluding the securities subscribed for herein).

B. **“Insider” Status**

The Subscriber **[check appropriate box]**:

- ☐ is an “insider” of the Trust, within the meaning of the term as defined in the *Securities Act* (Québec), by virtue of being:
 - (a) a trustee or senior officer of the Trust;
 - (b) a director or senior officer of a Trust that is an insider or subsidiary of the Trust;
 - (c) a person that beneficially owns or controls, directly or indirectly, Units of the Trust carrying more than 10% of the voting rights attached to all the Trust’s outstanding voting shares; or
 - (d) the Trust itself if it holds any of its own securities; or
- ☐ is not an insider of the Trust.

C. **“Registrant” Status**

The Subscriber **[check appropriate box]**:

- ☐ is a person registered or required to be registered under the securities laws of its place of residence or domicile (a “registrant”); or
- ☐ is not a registrant.

ACCEPTANCE

The Trust hereby accepts the subscription set forth above on the terms and conditions of this Subscription Agreement (including all applicable schedules and appendices hereto).

DATED the ____ day of _____, 20 ____.

**TRANSITION INNOVATION INCOME
TRUST**

Per: _____
Authorized Signatory

TERMS AND CONDITIONS OF SUBSCRIPTION FOR UNITS OF TRANSITION INNOVATION INCOME TRUST

1. **Definitions.** In this Subscription Agreement:

“**Aggregate Subscription Amount**” means the aggregate dollar amount of the subscription under this Subscription Agreement;

“**Closing Date**” means the date on which Units are issued by the Trust pursuant to the Offering Memorandum;

“**NI 45-106**” means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators and, in Québec, the corresponding regulation bearing the same number;

“**Offering**” means the offering, issue, and sale of the Units pursuant to the terms and conditions set out in the Offering Memorandum and this Subscription Agreement;

“**Offering Memorandum**” means the offering memorandum of the Trust in respect of the Offering, as the same may be amended, supplemented, replaced or restated from time to time;

“**Trust**” means Transition Innovation Income Trust, a mutual fund trust constituted under the *Civil Code of Québec*;

“**Unitholder**” means a holder of Units of the Trust; and

“**Units**” mean the units of the Trust offered pursuant to the terms and conditions set out in the Offering Memorandum and this Subscription Agreement.

2. Acknowledgements of the Subscriber. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that: this subscription is subject to rejection or acceptance by the Trust in whole or in part, and is effective only upon acceptance by the Trust;

- d) the Units subscribed for by the Subscriber hereunder form part of a larger issue and sale by the Trust of a maximum varying between 3,000,000 and 3,180,000 Units at a subscription price of \$10.00 for one (1) Series 1 or Series 5 Unit or of \$10.00 for 1.06 Series 2 or Series 6 Units, for maximum aggregate gross proceeds to the Trust in the amount of \$30,000,000;
- e) where allowed by applicable securities legislation, the Trust intends to offer compensation of up to 6% for the first three years plus 1% for each of the following four civil semester, for a maximum total of 10% of the gross proceeds realized on the sale of Series 1 and Series 5 Units under this Offering to any one of, or a combination of, the following parties: investment dealers, exempt market dealers and/or their dealing representatives, parties related to the Trust and employees and/or contractors of such parties;
- f) the Offering is subject to a Minimum Offering level of \$350,000, where \$100,000 is intended for JMS International Packaging and \$250,000 is intended for Cannasher, and therefore if the Minimum Offering of \$100,000 for JMS International Packaging or \$250,000 for Cannasher is not met by April 30, 2019, any subscriptions received will be refunded to Subscribers, without any interest or penalties; and
- g) **the Subscriber is responsible for obtaining its own legal advice with respect to the merits and risks of an investment in the Units and with respect to applicable resale restrictions.**

3. Representations, Warranties and Covenants of the Subscriber. By executing this Subscription Agreement, the Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) represents, warrants and covenants to the Trust (and acknowledges that the Trust and its counsel are relying thereon) that:

- h) if the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which this Subscription Agreement is executed and is legally competent to execute and deliver this Subscription

Agreement, to perform all of its obligations hereunder, and to undertake all actions required of the Subscriber hereunder;

- i) if the Subscriber is not an individual, the Subscriber has the requisite power, authority, legal capacity and competence to execute and deliver this Subscription Agreement, to perform all of its obligations hereunder, and to undertake all actions required of the Subscriber hereunder, and all necessary approvals of its directors, partners, shareholders, trustees or otherwise with respect to such matters have been given or obtained;
- j) if the Subscriber is a body corporate, the Subscriber is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation;
- k) this Subscription Agreement has been duly and validly authorized, executed and delivered by, and constitutes a legal, valid, binding and enforceable obligation of, the Subscriber;
- l) if the Subscriber is acting as agent or trustee for a principal, the Subscriber is duly authorized to execute and deliver this Subscription Agreement and all other necessary documents in connection with such subscription on behalf of such principal, and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid, binding and enforceable obligation of, such principal;
- m) the execution, delivery and performance by the Subscriber of this Subscription Agreement and the completion of the transactions contemplated hereby do not and will not result in a violation of any law, regulation, order or ruling applicable to the Subscriber, and do not and will not constitute a breach of or default under any of the Subscriber's constating documents (if the Subscriber is not an individual) or any agreement to which the Subscriber is a party or by which it is bound;
- n) the Subscriber is either purchasing the Units as principal for the Subscriber's own account or is deemed under NI 45-106 to be purchasing the Units as principal and is either:
 - (i) an "accredited investor" as defined in NI 45-106 and was not created, and is not being used, solely to purchase or hold securities as an "accredited investor" described in paragraph (m) of the definition of "accredited investor" in NI 45-106, and:
 - A. has duly completed, executed, and delivered to the Trust the "Representation Letter for Accredited Investors" and "Certificate of Accredited Investor" in the forms attached hereto, respectively, as Schedule A and Appendix I to Schedule A; and
 - B. if the Subscriber is an individual relying on paragraph (j), (k) or (l) of the definition of "accredited investor" in NI 45-106 (as set out in Appendix I to Schedule A of this Subscription Agreement), has duly, completed, and executed the "Form 45-106F9 – *Form for Individual Accredited Investors*", attached hereto as Appendix II to Schedule A;
 - (ii) not an individual and is purchasing the Units as principal for its own account and not for the benefit of any other person, in a sufficient amount so that the aggregate acquisition cost for such Units is not less than \$150,000 and the Subscriber was not created or used solely to acquire securities or to permit purchases of securities without a prospectus in reliance on an exemption from the prospectus requirements of applicable securities legislation; or
 - (iii) is purchasing the Units pursuant to the applicable "offering memorandum" exemption under NI 45-106, has duly completed and executed two copies of the "Risk Acknowledgment Form" attached hereto as Schedule B, one of which it has delivered to the Trust concurrently with this Subscription Agreement (with the other copy to be retained by the beneficial purchaser) and:
 - A. if the Subscriber is resident in Manitoba, Prince Edward Island, Yukon, Northwest Territories or Nunavut and is subscribing for securities with an acquisition cost of more than \$10,000, it has duly completed, executed, and delivered to the Trust one copy of the

“Eligible Investor Representation Letter” attached to this Subscription Agreement as Schedule C;

- B. if the Subscriber is an individual and is resident in Ontario, Alberta, New Brunswick, Nova Scotia, Québec, or Saskatchewan, has duly completed and executed two copies of Schedule D and Appendix I thereto and has delivered one copy of each to the Trust concurrently with this Subscription Agreement (with the other copy of each to be retained by the beneficial purchaser);
- o) The representations, warranties and covenants of the Subscriber contained in each of the completed schedules and appendices hereto are true and correct both as of the date of execution of this Subscription Agreement and as of the Closing.
- p) the Subscriber is capable of assessing the proposed investment in the Units as a result of the Subscriber’s own experience or as a result of advice received from a person registered under applicable securities legislation;
- q) the Subscriber is able to bear the economic risk of loss of its investment in the Units;
- r) the Subscriber understands that no securities commission, stock exchange, governmental agency, regulatory body or similar authority has made any finding or determination or expressed any opinion with respect to the merits of investing in the Units;
- s) the Subscriber acknowledges that no prospectus has been filed by the Trust with any securities commission or similar regulatory authority in any jurisdiction in connection with the issuance of the Units and the issuance is exempted from the prospectus requirements available under the provisions of applicable securities laws and as a result:
 - (i) the Subscriber may be restricted from using some of the civil remedies otherwise available under applicable securities laws;
 - (ii) the Subscriber may not receive information that would otherwise be required to be provided to it under applicable securities laws; and
 - (iii) the Trust is relieved from certain obligations that would otherwise apply under applicable securities laws;
 - (iv) the Subscriber confirms that neither the Trust or any of its representative trustees, employees, officers or affiliates, have made any representations (written or oral) to the Subscriber:
 - A. regarding the future value of the Units;
 - B. that any person will resell or repurchase the Units;
 - C. that the Units will be listed on any stock exchange or traded on any market; or
 - D. that any person will refund the purchase price of the Units other than as provided in this Subscription Agreement;
- t) the Subscriber confirms that it has been advised to consult its own legal and financial advisors with respect to the suitability of the Units as an investment for the Subscriber, the tax consequences of purchasing and dealing with the Units, and the resale restrictions and “hold periods” to which the Units are or may be subject under applicable securities legislation or stock exchange rules, and has not relied upon any statements made by or purporting to have been made on behalf of the Trust with respect to such suitability, tax consequences, and resale restrictions;

- u) except for the Subscriber's knowledge regarding its subscription for Units hereunder, the Subscriber has no knowledge of a "material fact" or a "material change" (as those terms are defined in the *Securities Act* (Quebec)) in the affairs of the Trust that has not been generally disclosed;
- v) the Subscriber is resident in the jurisdiction indicated on the face page of this Subscription Agreement as the "Subscriber's Address" and the purchase by and sale to the Subscriber of the Units, and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale (whether with or with respect to the Subscriber or any beneficial purchaser) has occurred only in such jurisdiction;
- w) the Subscriber acknowledges that it and/or the Trust may be required to provide applicable securities regulatory authorities or stock exchanges with information concerning the identities of the beneficial purchasers of the Units and the Subscriber agrees that, notwithstanding that the Subscriber may be purchasing the Units as agent for an undisclosed principal, the Subscriber will provide to the Trust, on request, particulars as to the identity of such undisclosed principal as may be required by the Trust in order to comply with the foregoing;
- x) the Subscriber understands that it will not resell the Units except in accordance with limited exemptions available under applicable securities legislation, regulatory policy and stock exchange rules, and that the Subscriber is solely responsible for (and the Trust is not in any way responsible for) the Subscriber's compliance with applicable resale restrictions;
- y) the Subscriber acknowledges that it is aware that there is no market upon which the Units trade and there is no assurance that any of the Units will be listed and posted for trading on a stock exchange or dealer network in the future;
- z) the Subscriber understands that the sale of the Units is conditional upon such sale being exempt from the requirements to file and obtain a receipt for a prospectus, and the requirement to sell securities through a registered dealer, or upon the issuance of such orders, consents or approvals as may be required to enable such sale to be made without complying with such requirements, and that as a consequence of acquiring the Units pursuant to such exemptions, certain protections, rights and remedies provided by applicable securities legislation, including statutory rights of rescission or damages in the event of a misrepresentation may not be available to the Subscriber in connection with the purchase and sale of the Units;
- aa) the Subscriber understands that any certificates representing the Units will bear a legend indicating that the resale of such securities is restricted;
- bb) other than the Offering Memorandum, the Subscriber has not received or been provided with, nor has it requested, nor does it have any need to receive, any Offering memorandum, or any other document (other than the annual financial statements, interim financial statements or any other document (excluding Offering memoranda, prospectuses or other Offering Documents) the content of which is prescribed by statute or regulation) describing the business and affairs of the Trust, which has been prepared for delivery to and review by prospective purchasers in order to assist them in making an investment decision in respect of the purchase of Units pursuant to the Offering;
- cc) the Subscriber is not a "U.S. Person", as that term is defined by Regulation S under the Securities Act of 1933 of the United States (the "**U.S. Securities Act**"), which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States, and is not acquiring the Units for the account or benefit of a U.S. Person or a person in the United States;
- dd) the Units have not been offered to the Subscriber in the United States, and the individuals making the order to purchase the Units and executing and delivering this Subscription Agreement on behalf of the Subscriber were not in the United States when the order was placed and this Subscription Agreement was executed and delivered;

- ee) the Subscriber undertakes and agrees that it will not offer or sell any of the Units in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, or an exemption from such registration requirements is available;
- ff) the Subscriber acknowledges that, in addition to any other requirements under applicable securities legislation to which a disposition of any of the Units by the Subscriber may be subject, the Subscriber may, depending on the nature of the disposition, be required to file a report of exempt trade within ten (10) days of a disposition by the Subscriber of the Units;
- gg) if required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Trust in filing, such reports, undertakings and other documents with respect to the issue of the Units;
- hh) except as disclosed in writing to the Trust, the Subscriber does not act jointly or in concert with any other person or company for the purposes of acquiring securities of the Trust;
- ii) the Subscriber is not a non-resident for the purposes of the *Income Tax Act* (Canada);
- jj) the Subscriber is not a “control person” of the Trust, as that term is defined in the *Securities Act* (Quebec), will not become a “control person” of the Trust by purchasing the number of Units subscribed for under this Subscription Agreement and does not intend to act jointly or in concert with any other person to form a control group in respect of the Trust;
- kk) the Subscriber has not relied upon any verbal or written representation as to fact or otherwise made by or on behalf of the Trust except as expressly set forth herein or in the Offering Memorandum;
- ll) the funds representing the Aggregate Subscription Amount which will be advanced by the Subscriber to the Trust hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the “PCMLA”) and the Subscriber acknowledges that the Trust may in the future be required by law to disclose the Subscriber’s name and other information relating to this Subscription Agreement and the Subscriber’s subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge none of the subscription funds to be provided by the Subscriber: (A) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction; or (B) are being tendered on behalf of a person or entity who has not been identified to the Subscriber. The Subscriber shall promptly notify the Trust if the Subscriber discovers that any of such representations ceases to be true, and shall provide the Trust with appropriate information in connection therewith;
- mm) the Subscriber acknowledges that the Trust may complete additional financings in the future in order to develop the proposed business of the Trust and to fund its ongoing development. There is no assurance that such financing will be available and if available, on reasonable terms; and
- nn) **the Subscriber acknowledges that an investment in the Units is subject to a number of risk factors. In particular, the Subscriber acknowledges that the Trust is not a reporting issuer in any province of Canada and, as such, the applicable hold period may never expire. Accordingly, there is currently no market for any of the Units and one may never develop. It may be difficult or even impossible for a Subscriber to sell any of the Units. Resale of such Units will require the availability of exemptions from the prospectus requirements of applicable securities legislation, or the application for a discretionary order of the securities commission or similar regulatory authority in the subscriber’s province of residence permitting the trade. The Subscriber covenants and agrees to comply with the relevant securities legislation, orders or policies concerning the purchase, holding of, and resale of the Units.**

4. Timeliness of Representations, etc. The Subscriber agrees that the representations, warranties and covenants of the Subscriber herein will be true and correct both as of the execution of this Subscription Agreement

and as of the Closing Time (as defined herein), and will survive the completion of the distribution of the Units and any subsequent disposition by the Subscriber of any of the securities.

5. Indemnity. The Subscriber acknowledges that the Trust and its counsel are relying upon the representations, warranties and covenants of the Subscriber set forth herein in determining the eligibility (from a securities law perspective) of the Subscriber (or, if applicable, the eligibility of another on whose behalf the Subscriber is contracting hereunder to subscribe for Units) to purchase Units under the Offering, and hereby agrees to indemnify the Trust and its trustees, employees, advisers, affiliates, shareholders, and agents (including their respective legal counsel) against all losses, claims, costs, expenses, damages or liabilities that they may suffer or incur as a result of or in connection with their reliance on such representations, warranties and covenants. The Subscriber undertakes to immediately notify the Trust at 1686, chemin Laliberté, Sherbrooke (Quebec) J1R 0C5 of any change in any statement or other information relating to the Subscriber set forth herein that occurs prior to the Closing Time.

6. Deliveries by Subscriber prior to Closing.

(a) The Subscriber agrees to deliver to the Trust not later than 5:00 p.m. (Montreal time) on the day that is two business days before any Closing Date of which the Subscriber receives notice:

- (i) this duly completed and executed Subscription Agreement;
- (ii) a wire transfer in an amount equal to the Aggregate Subscription Amount to the following account:

For credit to:	Manulife Bank of Canada 500, King street North Waterloo, Ontario N2J 4C6 CANADA
Swift Code:	MCBTCA2W
Bank number:	540
Transit number:	05012
Account number:	14-965-41
Beneficiary's name:	Transition Innovation Income Trust
Beneficiary's address:	1686, Chemin Laliberté Sherbrooke, Quebec J1R 0C5 CANADA

- (iii) duly completed and executed copies of the applicable schedules and appendices to this Subscription Agreement, in accordance with the page of instructions accompanying this Subscription Agreement and Section 3n) hereof; and
- (iv) such other documents as may be requested by the Trust as contemplated by this Subscription Agreement.

7. Collection and Use of Personal Information.

(a) The Subscriber acknowledges and consents to the collection by the Trust of the personal information relating to the Subscriber contained in this Subscription Agreement or gathered in connection with the Subscriber's purchase of the Units. The Subscriber acknowledges that such personal information will be collected and used by the Trust in order to administer and manage the Subscriber's investment in the Trust, and may be disclosed to third parties that provide administrative and other services in respect of the Trust. In addition, such personal information may be collected, used and disclosed for the purposes of meeting legal, regulatory, self-regulatory, security and audit requirements (including any applicable tax, securities, anti-money laundering, anti-terrorism legislation, rules or regulations) and as otherwise permitted or required by law, which disclosures may include disclosures to tax, securities or other regulatory or self-regulatory authorities in Canada and/or in foreign jurisdictions, if applicable, in connection with the regulatory oversight mandate of such authorities.

- (b) If the Subscriber is resident in, or otherwise subject to the applicable securities legislation of Ontario, the Subscriber acknowledges and consents: (i) to the delivery to the Ontario Securities Commission of the Subscriber's full name, residential address and telephone number, the number and type of securities purchased by the Subscriber, the total purchase price, the exemption relied on, and the date of distribution; (ii) that such information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation; (iii) that such information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and (iv) that the Subscriber may contact the following public official in Ontario with respect to questions about the Ontario Securities Commission's indirect collection of such information at the following address and telephone number: Administrative Support Clerk, Ontario Securities Commission, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone: 416-593-8314.

8. Partial Acceptance or Rejection of Subscription.

- (a) The Trust may, in its absolute discretion, accept or reject the Subscriber's subscription for Units as set forth in this Subscription Agreement, in whole or in part, and the Trust reserves the right to allot to the Subscriber less than the amount of Units subscribed for under this Subscription Agreement.
- (b) Notwithstanding the foregoing, the Subscriber acknowledges and agrees that the acceptance of this Subscription Agreement will be conditional upon among other things, the sale of the Units to the Subscriber being exempt from any prospectus and Offering memorandum requirements of applicable securities laws. The Trust will be deemed to have accepted this Subscription Agreement upon the delivery at Closing of the certificates representing the Units to the Subscriber or upon the direction of the Subscriber in accordance with the provisions hereof.
- (c) If this Subscription Agreement is rejected in whole, any funds delivered by the Subscriber to the Trust on account of the Aggregate Subscription Amount for the Units subscribed for will be promptly returned to the Subscriber without interest. If this Subscription Agreement is accepted only in part, a cheque representing the amount by which the payment delivered by the Subscriber to the Trust exceeds the subscription price of the number of Units sold to the Subscriber pursuant to a partial acceptance of this Subscription Agreement will be promptly delivered to the Subscriber without interest.

9. Time and Place of Closing. The sale of the Units will be completed at the offices of counsel to the Trust, in Montreal, Quebec at 10:00 a.m. (Montreal time) or such other time as the Trust may determine (the "**Closing Time**") on the Closing Date. The Trust reserves the right to close the Offering in multiple tranches, so that one or more closings may occur after the initial closing.

10. Subject to Regulatory Approval. The obligations of the parties hereunder are subject to all required regulatory approvals being obtained.

11. Representations and Warranties of the Trust. The Trust hereby represents and warrants to the Subscriber (and acknowledges that the Subscriber is relying thereon) that:

- (a) the Trust has the full corporate right, power and authority to execute and deliver this Subscription Agreement and to issue the Units to the Subscriber;
- (b) the Trust is duly constituted and validly subsisting, and is qualified to carry on business in each jurisdiction in respect of which the carrying out of the activities contemplated hereby makes such qualification necessary;
- (c) the Trust has complied or will comply with all applicable corporate and securities laws in connection with the offer and sale of the Units;
- (d) upon acceptance by the Trust, this Subscription Agreement shall constitute a binding obligation of the Trust enforceable in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the general

principles of equity including the fact that specific performance is available only in the discretion of the court; and

- (e) the execution, delivery and performance of this Subscription Agreement by the Trust and the issue of the Units to the Subscriber pursuant hereto does not and will not constitute a breach of or default under the constating documents of the Trust, or any law, regulation, order or ruling applicable to the Trust, or any agreement to which the Trust is a party or by which it is bound.

12. Notices. All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall be in writing and faxed, mailed, emailed, or delivered to each party as follows:

- (a) if to the Trust:

Transition Innovation Income Trust
1686, chemin Laliberté
Sherbrooke, Quebec J1R 0C5

Attention: Steven Blanchard
Phone : 819-820-9777
Facsimile: 819-564-3293
E-mail: transitioninnovationvc@cannasher.ca

- (b) if to the Subscriber, to the address, facsimile number, or email address of the Subscriber set out on the first page of this Subscription Agreement,

or at such other address, facsimile number, or email address as the parties shall have furnished to each other in writing. All such notices and communications will be deemed effectively given the earlier of (i) when received, (ii) when delivered personally, (iii) one business day after being delivered by facsimile or email, (iv) one business day after being deposited with an overnight courier service of recognized standing; or (v) five days after being deposited in the mail, first class with postage prepaid.

13. No Partnership. Nothing herein shall constitute or be construed to constitute a partnership of any kind whatsoever between the Subscriber and the Trust.

14. Governing Law. The contract arising out of acceptance of this Subscription Agreement by the Trust shall be governed by and construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Québec.

15. Time of Essence. Time shall be of the essence in this Subscription Agreement.

16. Entire Agreement. This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof, and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.

17. Electronic Copies. The Trust shall be entitled to rely on delivery of electronic or facsimile copies of executed subscriptions, and acceptance by the Trust of such electronic or facsimile subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the Trust in accordance with the terms hereof.

18. Counterpart. This Subscription Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement.

19. Severability. The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.

20. Survival. The covenants, representations and warranties contained in this Subscription Agreement shall survive the closing of the transactions contemplated hereby, and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

21. Interpretation.

- (a) The headings used in this Subscription Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Subscription Agreement or any provision hereof.
- (b) In this Subscription Agreement, all references to money amounts are to Canadian dollars.

22. Amendment. Except as otherwise provided herein, this Subscription Agreement may only be amended by the parties hereto in writing.

23. Costs. The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the sale of the Units to the Subscriber shall be borne by the Subscriber.

24. Withdrawal. The Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder, agrees that this subscription is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder.

25. Assignment. Neither party may assign all or part of its interest in or to this Subscription Agreement without the consent of the other party in writing.

26. Language. The Subscriber acknowledges that it has consented to and requested that all documents evidencing or relating in any way to the sale of the Units be drawn up in the English language only. *Le souscripteur reconnaît par les présentes avoir consenti et exigé que tous les documents faisant foi ou se rapportant de quelque manière à la vente des parts de fiducie soient rédigés en anglais seulement.*

SCHEDULE A

REPRESENTATION LETTER FOR ACCREDITED INVESTORS

TO: TRANSITION INNOVATION INCOME TRUST (the “Trust”)

In connection with the purchase of Units (the “Securities”) of the Trust by the undersigned subscriber or, if applicable, the disclosed principal on whose behalf the undersigned is purchasing as agent (the “Subscriber” for the purposes of this Schedule A), the Subscriber hereby represents, warrants, covenants and certifies to the Trust that:

1. The Subscriber is either purchasing the Securities as principal for the Subscriber’s own account or is deemed under National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators (“NI 45-106”) to be purchasing the Securities as principal;
2. The Subscriber is an “accredited investor” within the meaning of NI 45-106 by virtue of satisfying the indicated criterion as set out in Appendix I to this Representation Letter (YOU MUST ALSO INITIAL THE APPROPRIATE LINE IN APPENDIX I TO THIS REPRESENTATION LETTER AND, IF APPLICABLE, COMPLETE EACH QUESTION WHICH FOLLOWS THAT PARTICULAR PORTION OF THE DEFINITION). If the Subscriber is an individual relying on paragraph (j), (k) or (l) of the “accredited investor” definition in Appendix I to this Representation Letter, please duly complete and sign two copies of Form 45-106F9 – *Form for Individual Accredited Investors* in the form attached hereto as Appendix II to this Representation Letter.
3. The above representations, warranties and covenants will be true and correct both as of the execution of this Representation Letter and as of the issue date and acknowledges that they will survive the completion of the issue of the Securities; and
4. The undersigned acknowledges that the foregoing representations, warranties and covenants are made by the undersigned with the intent that they be relied upon in determining the suitability of the Subscriber as a purchaser of the Securities and that this Representation Letter is incorporated into and forms part of the Subscription Agreement and the undersigned undertakes to immediately notify the Trust of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the closing time of the purchase and sale of the Securities.

Dated: _____, 20____.

Print name of Subscriber

By: _____
Signature

Title

(please print name of individual whose signature appears above, if different from the name of the Subscriber printed above)

IMPORTANT: PLEASE INITIAL THE APPLICABLE CATEGORY OR CATEGORIES OF ACCREDITED INVESTOR IN APPENDIX I TO SCHEDULE A ON THE NEXT PAGE THAT DESCRIBES YOU

APPENDIX I TO SCHEDULE A
CERTIFICATE OF ACCREDITED INVESTOR

NOTE: THE SUBSCRIBER MUST INITIAL BESIDE THE APPLICABLE PORTION OF THE DEFINITION BELOW AND COMPLETE EACH QUESTION WHICH FOLLOWS THE APPLICABLE PORTION OF THE DEFINITION.

Accredited Investor – (as defined in NI 45-106) includes:

_____	(a) except in Ontario, a Canadian financial institution, or a Schedule III bank,
_____	(a.1) in Ontario, a financial institution described in paragraph 1, 2 or 3 of subsection 73.1 (1) of the <i>Securities Act</i> (Ontario),
_____	(b) except in Ontario, the Business Development Bank of Canada incorporated under the <i>Business Development Bank of Canada Act</i> (Canada),
_____	(b.1) in Ontario, the Business Development Bank of Canada,
_____	(c) except in Ontario, a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
_____	(c.1) in Ontario, a subsidiary of any person or company referred to in clause (a.1) or (b.1), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
_____	(d) except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer,
_____	(d.1) in Ontario, a person or company registered under the securities legislation of a province or territory of Canada as an adviser or dealer, except as otherwise prescribed by the regulations, Jurisdiction(s) registered: _____ Categories of registration: _____
_____	(e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d),
_____	(e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the <i>Securities Act</i> (Ontario) or the <i>Securities Act</i> (Newfoundland and Labrador), Name of person with whom Purchaser is or was registered: _____ Jurisdiction(s) registered: _____ Categories of registration: _____
_____	(f) except in Ontario, the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada,
_____	(f.1) in Ontario, the Government of Canada, the government of a province or territory of Canada, or any Crown corporation, agency or wholly owned entity of the Government of Canada or of the government of a province or territory of Canada,

_____	(g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montreal or an intermunicipal management board in Québec,
_____	(h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,
_____ _____	(i) except in Ontario, a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada, (i.1) in Ontario, a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a province or territory of Canada, Jurisdiction(s) registered: _____ Registration number(s): _____
_____	(j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000, [If this is your applicable category, you must also complete <u>Form 45-106F9 attached as Appendix II to this Schedule A</u>]
_____	(j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000,
_____	(k) an individual whose net income before taxes exceeded \$200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300 000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year, [If this is your applicable category, you must also complete <u>Form 45-106F9 attached as Appendix II to this Schedule A</u>]
_____	(l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000, [If this is your applicable category, you must also complete <u>Form 45-106F9 attached as Appendix II to this Schedule A</u>]
_____	(m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements, Type of entity: _____ Jurisdiction and date of formation: _____
_____	(n) an investment fund that distributes or has distributed its securities only to: (i) a person that is or was an accredited investor at the time of the distribution, (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment], or 2.19 [Additional investment in investment funds], or (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [Investment fund reinvestment],
_____	(o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt,

_____	<p>(p) a trust company or trust corporation registered or authorized to carry on business under the <i>Trust and Loan Companies Act</i> (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be,</p> <p>Jurisdiction(s) registered: _____ Registration number(s): _____</p>
_____	<p>(q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction,</p> <p>Jurisdiction(s) registered or authorized: _____</p> <p>Categories of registration: _____</p>
_____	<p>(r) a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,</p> <p>Registration number(s) assigned to purchaser: _____</p> <p>Name of eligibility adviser or registered adviser: _____</p> <p>Jurisdiction(s) registered: _____ Categories of registration: _____</p>
_____	<p>(s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) paragraph (i) [and in Ontario, paragraphs (a.1) to (d.1) or paragraph (i.1)] in form and function,</p> <p>Jurisdiction organized: _____ Type of entity: _____</p>
_____	<p>(t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors [If this is your applicable category, each owner of interest must individually complete and submit to the Trust its own copy of this Certificate of Accredited Investor],</p> <p>Name(s) of owners of interest: _____</p> <p>Type of entity (if applicable): _____</p> <p>Categories of accredited investor: _____</p>
_____	<p>(u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,</p> <p>Name of advisor: _____ Jurisdiction(s) registered: _____</p> <p>Categories of registration: _____ Basis of exemption: _____</p>
_____	<p>(v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor,</p> <p>_____ (v.1) in Ontario, a person or company that is recognized or designated by the Commission as an accredited investor,</p> <p>Jurisdiction(s) recognized or designated: _____</p>

_____	<p>(w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.</p> <p>Name(s) of settlor: _____</p> <p>Name(s) of trustees: _____</p> <p>Categories of accredited investor: _____</p> <p>Categories of beneficiaries: _____</p>
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For the purposes hereof:

- (a) **"Canadian financial institution"** means
- (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
 - (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) **"control person"** has the same meaning as in securities legislation except in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Québec where control person means any person that holds or is one of a combination of persons that holds:
- (i) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or
 - (ii) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;
- (c) **"Director"** means:
- (i) a member of the board of Directors of a company or an individual who performs similar functions for a company, and
 - (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a Director of a company;
- (d) **"eligibility adviser"** means:
- (i) a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of a purchaser and authorized to give advice with respect to the type of security being distributed, and
 - (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not:
 1. have a professional, business or personal relationship with the issuer, or any of its Directors, executive Officers, founders, or control persons, and

2. have acted for or been retained personally or otherwise as an employee, executive Officer, Director, associate or partner of a person that has acted for or been retained by the issuer or any of its Directors, executive Officers, founders or control persons within the previous 12 months;
- (e) “**executive officer**” means, for an issuer, an individual who is:
- (i) a chair, vice-chair or president,
 - (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production,
 - (iii) an Officer of the issuer or any of its subsidiaries and who performs a policy-making function in respect of the issuer, or
 - (iv) performing a policy-making function in respect of the issuer;
- (f) “**financial assets**” means:
- (i) cash,
 - (ii) securities, or
 - (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;
- (g) “**foreign jurisdiction**” means a country other than Canada or a political subdivision of a country other than Canada;
- (h) “**founder**” means, in respect of an issuer, a person who,
- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
 - (ii) at the time of the trade is actively involved in the business of the issuer;
- (i) “**fully managed account**” means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;
- (j) “**investment fund**” has the same meaning as in National Instrument 81-106 *Investment Fund Continuous Disclosure*;
- (k) “**jurisdiction**” means a province or territory of Canada except when used in the term foreign jurisdiction;
- (l) “**local jurisdiction**” means the jurisdiction in which the Canadian securities regulatory authority is situate;
- (m) “**non-redeemable investment fund**” means an issuer,
- (i) whose primary purpose is to invest money provided by its security holders;
 - (ii) that does not invest;
 1. for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund; or
 2. for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund; and
 - (iii) that is not a mutual fund;

- (n) “**person**” includes:
 - (i) an individual,
 - (ii) a corporation,
 - (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
 - (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;
- (o) “**regulator**” means, for the local jurisdiction, the Executive Director as defined under securities legislation of the local jurisdiction;
- (p) “**related liabilities**” means
 - (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
 - (ii) liabilities that are secured by financial assets;
- (q) “**Schedule III bank**” means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (r) “**spouse**” means, an individual who,
 - (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
 - (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
 - (iii) in Alberta, is an individual referred to in paragraph (i) or (ii) above, or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and
- (s) “**subsidiary**” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

All monetary references are in Canadian Dollars

APPENDIX II TO SCHEDULE A
FORM 45-106F9 FOR INDIVIDUAL ACCREDITED INVESTORS

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER

1. About your investment

Type of securities: Units	Issuer: Transition Innovation Income Trust
Purchased from: Transition Innovation Income Trust	

SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER

2. Risk acknowledgement

This investment is risky. Initial that you understand that:	Your initials
Risk of loss – You could lose your entire investment of \$ _____.	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	

3. Accredited investor status

You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	Your initials
• Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
• Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

First and last name:

Signature:

Date:

SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
First and last name of salesperson:	
Telephone:	Email:
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
<p>Contact:</p> <p>Transition Innovation Income Trust 1686, chemin Laliberté Sherbrooke, Quebec J1R 0C5</p> <p>Attention: Steven Blanchard Phone: 819-820-9777 Fax: 819-564-3293 E-mail: transitioninnovationvc@cannasher.ca</p>	
<p>For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.</p>	

Form instructions:

1. *This form does not mandate the use of a specific font size or style but the font must be legible.*
2. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
3. *The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.*

SCHEDULE B

(COPY FOR DELIVERY TO THE TRUST)

FORM 45-106F4 – RISK ACKNOWLEDGMENT FORM

RISK ACKNOWLEDGEMENT

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing \$ _____ in total; this includes any amount I am obliged to pay in the future. Transition Innovation Income Trust (the “**Trust**”) will pay \$ _____ of this to Cape Cove Financial Management Inc. as a fee or commission.

Where allowed by applicable securities legislation, the Trust intends to offer compensation of up to 6% for the first three years plus 1% for each of the following four civil semester, for a maximum total of 10% of the gross proceeds realized on the sale of Series 1 and Series 5 Units under this Offering to any one of, or a combination of, the following parties: investment dealers, exempt market dealers and/or their dealing representatives, parties related to the Trust and employees and/or contractors of such parties.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one for your records.

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You have 2 business days to cancel your purchase.

To do so, send a notice to Transition Innovation Income Trust stating that you want to cancel your purchase. You must deliver the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to Transition Innovation Income Trust at its business address. Keep a copy of the notice for your records.

The Issuer: Transition Innovation Income Trust
Address: 1686, chemin Laliberté
Sherbrooke, Quebec J1R 0C5
Attention: Steven Blanchard
Phone: 819-820-9777
Fax: 819-564-3293
E-mail: transitioninnovationvc@cannasher.ca

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an Offering Memorandum

Read the Offering Memorandum carefully because it has important information about the issuer and its securities. Keep the Offering Memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer. For more information on the exempt market, contact your local securities regulatory authority or regulator.

- If you live in British Columbia, contact the British Columbia Securities Commission at (604) 899-6500, (outside the local area, call toll-free 1-800-373-6393), or visit its website at www.bccsc.bc.ca.
- If you live in Alberta, contact the Alberta Securities Commission, in Calgary at (403) 297-6454 or visit its website at www.albertasecurities.com.
- If you live in Saskatchewan, contact the Financial Services Commission at (306) 787-5645, or visit its website at www.sfsc.gov.sk.ca.
- If you live in Manitoba, contact the Manitoba Securities Commission at (204) 945-2548, or visit its website at www.msc.gov.mb.ca.
- If you live in Québec, contact the *Autorité des marchés financiers* at (514) 395-0337, or visit its website at www.lautorite.qc.ca.
- If you live in the Northwest Territories, contact the Office of the Superintendent of Securities, Department of Justice at (867) 920-3318, or visit its website at www.justice.gov.nt.ca/SecuritiesRegistry.
- If you live in Nunavut, contact the Office of the Superintendent of Securities, Department of Justice at (867) 975-6590, or visit its website at www.justice.gov.nu.ca.
- If you live in the Yukon, contact the Superintendent of Securities, Community Services at (867) 667-5225, or visit its website at www.community.gov.yk.ca/corp/secureinvest.html.
- If you live in New Brunswick, contact the New Brunswick Securities Commission at (506) 658-3060 or visit its website at www.nbsec-cvmnb.ca.
- If you live in Newfoundland and Labrador, contact the Securities Commission of Newfoundland & Labrador at (709) 729-4189 or visit its website at www.gs.gov.nl.ca/cca/scon.
- If you live in Nova Scotia contact the Nova Scotia Securities Commission at (902) 424 -7768 or visit its website at www.gov.ns.ca/nssc.
- If you live in Prince Edward Island, contact the Prince Edward Island Securities Office at (902) 368 -4569 or visit its website www.gov.pe.ca/securities.

**INSTRUCTION: The purchaser must sign 2 copies of this form.
The purchaser and the issuer must each receive a signed copy.**

SCHEDULE B

(SUBSCRIBER COPY)

FORM 45-106F4 – RISK ACKNOWLEDGMENT FORM

RISK ACKNOWLEDGEMENT

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
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- I could lose all the money I invest.

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I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one for your records.

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The Issuer: Transition innovation Income Trust
Address: 1686, chemin Laliberté
Sherbrooke, Quebec J1R 0C5
Attention: Steven Blanchard
Phone: 819-820-9777
Fax: 819-564-3293
E-mail: transitioninnovationvc@cannasher.ca

You are buying Exempt Market Securities

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- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

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A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer. For more information on the exempt market, contact your local securities regulatory authority or regulator.

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- If you live in Saskatchewan, contact the Financial Services Commission at (306) 787-5645, or visit its website at www.sfsc.gov.sk.ca.
- If you live in Manitoba, contact the Manitoba Securities Commission at (204) 945-2548, or visit its website at www.msc.gov.mb.ca.
- If you live in Québec, contact the *Autorité des marchés financiers* at (514) 395-0337, or visit its website at www.lautorite.qc.ca.
- If you live in the Northwest Territories, contact the Office of the Superintendent of Securities, Department of Justice at (867) 920-3318, or visit its website at www.justice.gov.nt.ca/SecuritiesRegistry.
- If you live in Nunavut, contact the Office of the Superintendent of Securities, Department of Justice at (867) 975-6590, or visit its website at www.justice.gov.nu.ca.
- If you live in the Yukon, contact the Superintendent of Securities, Community Services at (867) 667-5225, or visit its website at www.community.gov.yk.ca/corp/secureinvest.html.
- If you live in New Brunswick, contact the New Brunswick Securities Commission at (506) 658-3060 or visit its website at www.nbsec-cvmnb.ca.
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- If you live in Nova Scotia contact the Nova Scotia Securities Commission at (902) 424 -7768 or visit its website at www.gov.ns.ca/nssc.
- If you live in Prince Edward Island, contact the Prince Edward Island Securities Office at (902) 368 -4569 or visit its website www.gov.pe.ca/securities.

**INSTRUCTION: The purchaser must sign 2 copies of this form.
The purchaser and the issuer must each receive a signed copy.**

SCHEDULE C

ELIGIBLE INVESTOR REPRESENTATION LETTER

TO: Transition Innovation Income Trust **(the “Trust”)**

In connection with the purchase of Units (the “**Securities**”) of the Trust by the undersigned subscriber or, if applicable, the disclosed principal on whose behalf the undersigned is purchasing as agent (the “**Subscriber**” for the purposes of this Schedule C), the Subscriber hereby represents, warrants, covenants and certifies to the Trust that:

1. The Subscriber is either purchasing the Securities as principal for the Subscriber’s own account or is deemed under National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators (“**NI 45-106**”) to be purchasing the Securities as principal;
2. The Subscriber is an “eligible investor” as defined in NI 45-106, meaning: **[check applicable boxes]**
 - (a) a person or company whose:
 - ☐ (i) net assets, alone or with a spouse, exceed C\$400,000,
 - ☐ (ii) net income before taxes exceeded C\$75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, or
 - ☐ (iii) net income before taxes combined with that of a spouse exceeded C\$125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year,
 - ☐ (b) a person or company of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors,
 - ☐ (c) a general partnership in which all of the partners are eligible investors,
 - ☐ (d) a limited partnership in which the majority of the general partners are eligible investors,
 - ☐ (e) a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are eligible investors,
 - ☐ (f) an accredited investor,
 - ☐ (g) a person described in section 2.5 of NI 45-106 [*Family, friends and business associates*], or
 - ☐ (h) in Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon, a person that has obtained advice regarding the suitability of the investment and, if the person is resident in a jurisdiction of Canada, that advice has been obtained from an eligibility adviser.
3. The above representations, warranties and covenants will be true and correct both as of the execution of this Representation Letter and as of the issue date and acknowledges that they will survive the completion of the issue of the Securities; and
4. The undersigned acknowledges that the foregoing representations, warranties and covenants are made by the undersigned with the intent that they be relied upon in determining the suitability of the Subscriber as a purchaser of the Securities and that this Representation Letter is incorporated into and forms part of the Subscription Agreement and the undersigned undertakes to immediately notify the Trust of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the closing time of the purchase and sale of the Securities.

[Signature page follows]

Dated: _____, 201__.

Print name of Subscriber

By: _____
Signature

Title

(please print name of individual whose signature appears
above, if different from the name of the Subscriber
printed above)

SCHEDULE D

CLASSIFICATION OF INVESTORS UNDER THE OFFERING MEMORANDUM EXEMPTION

Instructions: This schedule must be completed together with the Risk Acknowledgement Form (Schedule B) and Appendix I to this Schedule D by *individuals* purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of NI 45-106 in Ontario, Alberta, New Brunswick, Nova Scotia, Ontario, Québec, and Saskatchewan.

How you qualify to buy securities under the offering memorandum exemption

Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.

A. You are an eligible investor because:		Your initials
Eligible Investor	Your net income before taxes was more than \$75,000 in each of the 2 most recent calendar years, and you expect it to be more than \$75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with your spouse, you have net assets worth more than \$400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	

B. You are an eligible investor, as a person described in section 2.3 [<i>Accredited investor</i>] of NI 45-106 or, as applicable in Ontario, subsection 73.3 of the <i>Securities Act</i> (Ontario), because:		Your initials
Accredited Investor	Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
	Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

C. You are an eligible investor, as a person described in section 2.5 [<i>Family, friends and business associates</i>] of NI 45-106, because:		Your initials
	You are:	
	1) [<i>check all applicable boxes</i>] <input type="checkbox"/> a director of the issuer or an affiliate of the issuer <input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer <input type="checkbox"/> a control person of the issuer or an affiliate of the issuer	

Family, Friends and Business Associates	<input type="checkbox"/> a founder of the issuer OR 2) <i>[check all applicable boxes]</i> <input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above <input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above	
	You are a family member of _____ <i>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]</i> , who holds the following position at the issuer or an affiliate of the issuer: _____	
	You are the _____ of that person or that person's spouse. <i>[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</i>	
	You are a close personal friend of _____ <i>[Instruction: Insert the name of your close personal friend]</i> , who holds the following position at the issuer or an affiliate of the issuer: _____ You have known that person for _____ years.	
	You are a close business associate of _____ <i>[Instruction: Insert the name of your close business associate]</i> , who holds the following position at the issuer or an affiliate of the issuer: _____ You have known that person for _____ years.	

D. You are not an eligible investor.		Your initials
Not An Eligible Investor	You acknowledge that you are not an eligible investor.	

INSTRUCTION: The Subscriber must also complete Appendix I to Schedule D on the next pages

APPENDIX I TO SCHEDULE D

INVESTMENT LIMITS FOR INVESTORS UNDER THE OFFERING MEMORANDUM EXEMPTION

Instructions: This Appendix I to Schedule D must be completed together with the Risk Acknowledgement Form (Schedule B) and Schedule D by *individuals* purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of NI 45-106 in Ontario, Alberta, New Brunswick, Nova Scotia, Ontario, Québec, and Saskatchewan.

SECTION 1 TO BE COMPLETED BY THE PURCHASER
1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption
<p>You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in Schedule D. Initial the statement that applies to you.</p>

A. You are an eligible investor.		Your initials
Eligible Investor	<p>As an eligible investor that is an individual, you cannot invest more than \$30,000 in all offering memorandum exemption investments made in the previous 12 months, unless you have received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule, that your investment is suitable.</p> <p>Initial one of the following statements:</p>	
	<p>You confirm that, after taking into account your investment of \$ _____ today in this issuer, you have not exceeded your investment limit of \$30,000 in all offering memorandum exemption investments made in the previous 12 months.</p>	
	<p>You confirm that you received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule that the following investment is suitable.</p>	
	<p>You confirm that, after taking into account your investment of \$ _____ today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of \$100,000.</p>	

B. You are an eligible investor, as a person described in section 2.3 [<i>Accredited investor</i>] of NI 45-106 or, as applicable in Ontario, subsection 73.3 of the <i>Securities Act</i> (Ontario).		Your initials
Accredited Investor	<p>You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 [<i>Accredited investor</i>], you are not subject to investment limits.</p>	

C. You are an eligible investor, as a person described in section 2.5 [<i>Family, friends and business associates</i>] of NI 45-106.		Your initials
Family, Friends and Business Associates	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.5 [<i>Family, friends and business associates</i>], you are not subject to investment limits.	

D. You are not an eligible investor.		Your initials
Not An Eligible Investor	You acknowledge that you cannot invest more than \$10,000 in all offering memorandum exemption investments made in the previous 12 months.	
	You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$10,000 in all offering memorandum exemption investments made in the previous 12 months.	

SECTION 2 TO BE COMPLETED BY THE REGISTRANT	
2. Registrant information	
<i>[Instruction: this section must only be completed if an investor has received advice from a portfolio manager, investment dealer or exempt market dealer concerning his or her investment.]</i>	
First and last name of registrant (please print):	
Registered as: <i>[Instruction: indicate whether registered as a dealing representative or advising representative]</i>	
Telephone:	Email:
Name of firm: <i>[Instruction: indicate whether registered as an exempt market dealer, investment dealer or portfolio manager.]</i>	
Date:	