

ALDRSHOT RESOURCES LTD.

ANNUAL INFORMATION FORM
FOR THE FINANCIAL YEAR ENDED JANUARY 31, 2018

Dated November 9, 2018

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GLOSSARY

Certain terms and abbreviations used in this Annual Information Form are defined below:

"2016 Private Placement" has the meaning ascribed thereto in *"General Development of the Business – Three Year History"*;

"ABCA" means the *Business Corporations Act* (Alberta), including the regulations made thereunder, in each case as now in effect and as may be amended or replaced from time to time;

"ACMPR" means the *Access to Cannabis for Medical Purposes Regulations* issued pursuant to the CDSA, which was repealed on October 17, 2018 and concurrently restated as Part 14 of the Federal Regulations;

"Administrative Services Agreement" has the meaning ascribed thereto in *"General Development of the Business – Recent Developments"*;

"adult" means the minimum age to purchase, sell or consume cannabis pursuant to Law;

"AGLC" means the Alberta Gaming, Liquor and Cannabis Commission;

"AIF" means this annual information form dated November 9, 2018 for the financial year ended January 31, 2018;

"Alberta Cannabis Act" means the *Gaming, Liquor and Cannabis Act* (Alberta), which came into effect on October 17, 2018, as amended from time to time;

"Alberta Regulations" means the amendments to the *Gaming and Liquor Regulations* (Alberta), which came into effect on October 17, 2018, as amended from time to time;

"BCBCA" means the *Business Corporations Act* (British Columbia), including the regulations made thereunder, in each case as now in effect and as may be amended or replaced from time to time;

"Bill 174" means Bill 174, *An Act to enact the Cannabis Act, 2017, the Ontario Cannabis Retail Company Act, 2017 and the Smoke-Free Ontario Act, 2017, to repeal two Acts and to make amendments to the Highway Traffic Act respecting alcohol, drugs and other matters*, passed by the Government of Ontario on December 12, 2017, which came into effect on October 17, 2018, as amended from time to time;

"Bill 26" means Bill 26, *An Act to Control and Regulate Cannabis*, passed by the Government of Alberta on November 30, 2017, which came into effect on October 17, 2018, as amended from time to time;

"Board" means the board of directors of the Company and, as at the date hereof, includes Pali Bedi, Richard McHardy, Ron Hozjan, Sonny Mottahed, Michael Stark and James Miller;

"cannabis" means one of the authorized classes of cannabis that are set out in Schedule 4 to the Federal Cannabis Act, which as the date hereof include dried cannabis, fresh cannabis, cannabis oil, cannabis plants and cannabis plant seeds;

"cannabis product" means cannabis of any authorized class after it has been packaged and labelled for sale to a consumer at the retail level, but does not include a pharmaceutical drug containing cannabis;

"CDSA" means the *Controlled Drugs and Substances Act* (Canada), as amended from time to time;

"Change in Management and Board" means the resignation of the Company's former management and board of directors and the appointment of the Management Team and Board on June 28, 2018;

“Change of Business” means the Transactions (collectively) that will result in a “Change of Business” pursuant to the policies of the Exchange;

“Closing” means the date of final approval of the Change of Business;

“Common Shares” means the common shares in the capital of the Company;

“Company” means Aldershot Resources Ltd. (to be renamed “Solo Growth Corp.TM” at Closing), a corporation incorporated under the BCBCA (to be continued under the ABCA at Closing);

“Computershare” means Computershare Trust Company of Canada;

“Cultivation License” means a federal license issued by Health Canada pursuant to the Federal Cannabis Act or the ACMPR, as applicable, authorizing the license holder to: (a) possess cannabis; (b) obtain dried or fresh cannabis, cannabis plants or cannabis seeds by propagating, cultivating, harvesting; (c) for the purpose of testing, alter the chemical or physical properties of the cannabis; (d) sell and distribute dried cannabis, fresh cannabis, cannabis plants or seeds to other license holders (including cultivators, processors, analytical testers, researchers, cannabis drug license holders), provided that dried cannabis or fresh cannabis cannot be sold to the holder of a nursery license; (e) sell and distribute cannabis plants or seeds to a licensed nursery; (f) sell and distribute cannabis products that are plants or seeds to a license holder that is authorized to sell cannabis for medical purposes or to a person authorized to sell cannabis under a provincial or territorial Law; (g) send and deliver cannabis products that are plants or seeds to the purchaser at the request of a license holder that is authorized to sell cannabis for medical purposes or to a person authorized to sell cannabis under a provincial or territorial Law; and/or (h) conduct ancillary activities (e.g., drying, trimming, milling, etc.);

“Deloitte Survey” means the survey conducted by Deloitte LLP and the accompanying report, titled “Recreational Marijuana - Insights and opportunities”;

“DMLC” means Dale Matheson Carr-Hilton LaBonte LLP;

“Escrow Agent” means Computershare, in its capacity as escrow agent pursuant to the Escrow Agreement;

“Escrow Agreement” means the value security escrow agreement to be entered into between the Resulting Issuer, the proposed directors, officers and certain employees of the Resulting Issuer and the Escrow Agent at Closing;

“Escrowed Securities” means 94,220,000 Common Shares and 93,520,000 Warrants;

“Exchange” or **“TSXV”** means the TSX Venture Exchange;

“Federal Cannabis Act” means the *Cannabis Act* (Canada), which came effect on October 17, 2018, as amended from time to time;

“Federal Regulations” means the SOR 2018/144: Cannabis Regulations, which came effect on October 17, 2018, as amended from time to time;

“Former Options” means Options granted under the Company’s Former Stock Option Plan;

“Former Stock Option Plan” means the former stock option plan of the Company that was replaced with a new stock option plan on July 31, 2018;

“Governmental Entity” means: (a) any international, multinational, national, federal, provincial, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau, ministry, agency or instrumentality, domestic or

foreign, including, for greater certainty, Health Canada, the AGLC, the OCS and other applicable regulatory authorities with oversight of the cannabis industry and any business or operations within the cannabis industry generally; (b) any subdivision or authority of any of the above; (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) any stock exchange, including, for greater certainty, the TSXV;

"Gowganda Gold Project" has the meaning ascribed thereto in *"General Development of the Business – Three Year History"*;

"Law" means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, tariffs, directives, policies, guidelines, notices and protocols of any Governmental Entity, as amended, including, without limitation, all applicable federal, provincial, state, municipal, and local zoning, environmental, controlled substance laws and regulations, including, for greater certainty, the Federal Cannabis Act and the Federal Regulations or the CDSA and the ACMPR, as applicable, the Alberta Cannabis Act, the Alberta Regulations, the Ontario Cannabis Laws, the Ontario Regulations, and other lawful requirements of any governmental or regulatory body, including, but not limited, to relevant permits and licenses;

"Licensed Retail Store" means a cannabis retail establishment that operates under a Retail License pursuant to Law;

"Licensed Producer" means the holder of a Cultivation License;

"medical purposes" is the use of cannabis to treat disease or improve symptoms such as pain, muscle spasticity, nausea and other indications and can be administered using a variety of methods including, but not limited to, vaporizing or smoking dried buds, capsules, and oral/dermal sprays, and can also be ingested as oil or cannabis derivatives;

"Name Change" has the meaning ascribed to it in *"General Development of the Business – Recent Developments"*;

"Management Team" means, as at June 28, 2018, Pali Bedi, President and Chief Executive Officer, Jasbir Hans, Vice President, Operations, Stephanie Bunch, Vice President, Finance and Chief Financial Officer and Sony Gill, Corporate Secretary and, as at August 1, 2018, includes Theodore Zurich, Vice President, Corporate Development;

"NI 51-102" means National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators;

"OCS" means the Ontario Cannabis Store;

"Ontario Cannabis Act" means the *Cannabis Act, 2017* (Ontario), which came effect on October 17, 2018, as amended from time to time;

"Ontario Cannabis Laws" include the Ontario Cannabis Act and the Ontario Retail Act;

"Ontario Regulations" include O. Reg. 327/18: Non-Application of Act to Certain Cannabis and Cannabis Products, O. Reg. 325/18: Places of Consumption, O. Reg. 30/18: General and O. Reg. 33/18: General, which came effect on October 17, 2018, as amended from time to time;

"Ontario Retail Act" means the *Ontario Cannabis Retail Company Act, 2017*, which came effect on October 17, 2018, as amended from time to time;

“Option Agreement” means the agreement entered into between the Company and Transition Metals Corp. dated effective October 31, 2016;

“Options” means options to acquire Common Shares;

“Private Placement” has the meaning ascribed thereto in *“General Development of the Business – Recent Developments”*;

“Retail License” means a provincial license issued by the AGLC, the OCS or any Governmental Entity pursuant to Laws granting a Licensed Retail Store the authority to (a) purchase cannabis from the AGLC, the OCS or any Governmental Entity, and (b) possess, store and sell cannabis products for recreational use;

“Series “A” Preferred Shares” means the convertible series “A” preferred shares in the capital of the Company;

“Shareholders” means the holders of Common Shares;

“Solo Liquor” means Solo Liquor Stores Ltd., a company incorporated under the ABCA;

“Transactions” means, collectively, the transactions contemplated by the Change of Business, including, without limitation, the Private Placement, the Change in Management and Board, the Administrative Services Agreement and the Name Change;

“Unit” means the securities of the Company, each Unit consisting of one Common Share and one Warrant;

“Voluntary Pooling Agreement” means the voluntary pooling agreement among certain Shareholders and the Company dated July 31, 2018; and

“Warrants” means warrants to purchase Common Shares.

CONVENTIONS

Unless otherwise indicated, references herein to “\$” or “dollars” are to Canadian dollars. All financial information with respect to the Company has been presented in Canadian dollars in accordance with International Financial Reporting Standards. The information in this AIF is stated as at January 31, 2018, unless otherwise indicated.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this AIF may constitute forward-looking statements. These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this AIF should not be unduly relied upon by investors. These statements speak only as of the date of this AIF and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this AIF may contain forward-looking statements pertaining to the following:

- completion of the Change of Business and the timing thereof;
- approval of the Transactions and the timing thereof;
- expectations as to the Company's business strategy and future operations;
- the Company's applications for and granting of development permits and Retail Licenses and the timing thereof;
- expectations as to cannabis sales by the Company;
- the use of proceeds of the Private Placement;
- the impact of legalization of cannabis for recreational use in Canada on the Company's business strategy;
- treatment under governmental regulatory and taxation regimes;
- the grant and impact of any development permits, Retail Licenses and regulatory approvals to conduct cannabis-related activities;
- expectations regarding legislation, regulations and licensing relating to the sale of cannabis products for recreational use;
- the number and location of Licensed Retail Stores the Company intends to open across Canada and the timing thereof;
- the Company's financial position and future prospects;
- the development of Licensed Retail Stores;
- expectations as to the establishment, size and value of a recreational cannabis market in Canada;
- expected operating costs, general and administrative costs, costs of services and other costs and expenses;
- ability to meet current and future obligations;
- ability to obtain retail leases, equipment, services and supplies in a timely manner; and
- ability to obtain financing on acceptable terms or at all.

With respect to forward-looking statements contained in this AIF, the Company has made assumptions regarding, among other things:

- success of the Company's business strategy;
- impact of increasing competition;
- timing of obtaining regulatory and final TSXV approval of the Transactions;
- timing and amount of capital expenditures;
- future operating costs;
- government regulations, including future legislative and regulatory developments involving recreational cannabis and the timing thereto;
- the adoption of a hybrid retail model in Ontario and the timing thereof;
- availability of cannabis products from Licensed Producers and the distribution thereof by Governmental Entities;
- supply interruptions or delays;
- effects of regulation by Governmental Entities;
- changes to laws regarding the recreational use of cannabis and the impact on the Company's business strategy;
- demand for cannabis products and corresponding forecasted increase in revenues;
- the size of the recreational cannabis market;
- the legislative and regulatory environments of the jurisdictions where the Company will carry on business;
- the ability of the Company to obtain Retail Licenses and necessary approvals for the sale of cannabis at its retail premises;

- the ability of the Company to obtain qualified staff, services, supplies and equipment in a timely and cost-efficient manner;
- conditions in general economic and financial markets; and
- the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this AIF:

- completion of the Change of Business and the timing thereof;
- approval of the Transactions and related matters;
- success of the operations of the Company;
- ability of the Company to execute its business strategy;
- legislative and regulatory environments of the jurisdictions where the Company will carry on business or have operations;
- federal, provincial and municipal government cannabis regulation and changes thereto;
- actions taken by governmental authorities, including increases in taxes and changes in government regulations;
- development of Licensed Retail Stores;
- the effect consumer perception of the recreational use of cannabis will have on the price of cannabis products;
- impact of competition and the competitive response to the Company's business strategy;
- competition for, among other things, capital, Retail Licenses, leases and skilled personnel;
- the risks of the cannabis industry, such as regulatory risks and increasing competition;
- timing and amount of capital and other expenditures;
- the effect of any future litigation proceedings on the Company's business; and
- the other factors considered under "*Risk Factors*" below.

The Company has included the above summary of assumptions and risks related to forward-looking information provided herein in order to provide investors with a more complete perspective on the Company's current and future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained herein are expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements and readers should also carefully consider the matters discussed under the heading "*Risk Factors*" below.

The forward-looking statements or information contained herein are made as of the date hereof and the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the BCBCA on September 8, 1987 as "Quattro Resources Ltd." On July 31, 2001, the Company changed its name to "Aldershot Resources Ltd." The Company is currently doing business as "Solo Growth Corp.™" At Closing, the name of the Company will be changed "Solo Growth Corp.™" and the Company will continue from the BCBCA to the ABCA.

The Company is a reporting issuer in British Columbia and Alberta. The Common Shares are listed on the Exchange under the trading symbol "ALZ". Upon completion of the Change of Business, it is anticipated that the Common Shares will be listed under the new name and a new trading symbol, "SOLO".

The Company's head office is located at Suite 1100, 634 – 6th Avenue S.W., Calgary, Alberta T2P 0S4. The registered office of the Company is located at Suite 4000, 421 – 7th Avenue S.W., Calgary, Alberta, T2P 4K9.

Intercorporate Relationships

The Company has three wholly-owned subsidiaries: (i) Aldershot Holdings Ltd., incorporated on October 6, 2016 under the BCBCA; (ii) Solo Cannabis Corp., incorporated on May 4, 2018 under the ABCA; and (iii) Royal USA Inc., incorporated on October 23, 2007 under the *Colorado Revised Statutes*. Royal USA Inc. ceased operations in 2016 and has been abandoned.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Over the last three completed financial years, the Company's principal business was in the exploration and development of resource properties. Since the fall of 2017, the Company has not actively engaged in exploration work or pursued resource properties.

Financial Year Ended January 31, 2016

On July 9, 2015, the Company sold its interest in the Hauber claims, an exploration-stage uranium project in Wyoming, for cash proceeds of \$24,944. In addition, the Company sold its remaining equipment for proceeds of \$20,329.

As of January 31, 2016, the Company did not own any mineral exploration properties.

Financial Year Ended January 31, 2017

In October 2016, the Company entered into the Option Agreement with Transition Metals Corp. to acquire an interest in a gold discovery project in Ontario (the "**Gowganda Gold Project**").

On November 22, 2016, the Company completed a non-brokered private placement of an aggregate of 12,000,000 Units at a price of \$0.05 per Unit for gross proceeds of \$600,000 (the "**2016 Private Placement**"). Each Unit consisted of one Common Share and one Warrant exercisable at a price of \$0.06 until November 22, 2021.

Financial Year Ended January 31, 2018

The Company conducted an exploration program on the Gowganda Gold Project until the fall of 2017, after which all operations ceased.

Recent Developments

On June 4, 2018, the Company and Transition Metals Corp. entered into an agreement to terminate the Option Agreement and the Company no longer has any rights with respect to the Gowganda Gold Project.

On June 28, 2018, the Company: (i) completed a non-brokered private placement for gross proceeds of \$25.6 million (the "**Private Placement**"); (ii) appointed the Management Team and Board (the "**Change in Management and Board**"); and (iii) entered into an administrative services agreement (the "**Administrative Services Agreement**") with Solo Liquor, one of Canada's largest private liquor retailers. The Management Team intends to use the proceeds from the Private Placement to establish and launch a retail cannabis business across Canada. See "*Description of the Business of the Company – General*" for more information.

Pursuant to the Private Placement, a total of 511,999,400 Common Shares and 116,980,000 Warrants were issued. The Management Team and the Board, together with additional subscribers identified by such persons, subscribed for a total of 116,980,000 Units at a price of \$0.05 per Unit, each Unit consisting of one Common Share and one Warrant. The remaining subscribers subscribed for a total of 395,019,400 Common Shares at a price of \$0.05 per Common Share. Each Warrant issued pursuant to the Private Placement entitles the holder to purchase one Common Share at a price of \$0.05 for a period of five years and shall be exercisable for 1.5 Common Shares, provided that, at the time of exercise in respect of the additional 0.5 of a Common Share per Warrant, either: (i) the Common Shares are listed on the facilities of a recognized stock exchange (other than the TSXV); or (ii) the Common Shares are acquired for cash or for the securities of a company listed on a recognized stock exchange (other than the TSXV). The Warrants issued under the Private Placement have fully vested and become exercisable.

Since June 28, 2018, the Company has been executing on a retail-focused cannabis business strategy under the name “Solo Growth Corp.™”

On August 1, 2018, Theodore Zurich joined the Management Team as Vice President, Corporate Development.

On September 5, 2018, at the annual general and special meeting of shareholders of the Company, Shareholders approved, among other matters, the name change of the Company to “Solo Growth Corp.™” (the “**Name Change**”) and the continuance of the Company from British Columbia to Alberta and elected all six of the nominated directors.

On September 6, 2018, the Company announced its newly launched retail brand, YSS by Solo (“**YSS**”), featuring an iconic symbol that conveys that YSS is the trusted destination for recreational cannabis use. The Company created the YSS brand to help break down stigmas in the cannabis space. The colours, packaging and identity are meant to tap into an existing relationship with type treatment that draws inspiration from directional signage and design usually associated with travel, guiding the consumer to feel at ease in the industry. The brand is being applied across numerous retail locations in Alberta with Ontario to follow in 2019 and will act as a beacon in the cannabis industry, balancing the freshness of a new brand with the proven retail credentials and trust of the Company and Solo Liquor brand names.

On October 18, 2018, the TSXV granted conditional approval of the Change of Business.

On October 22, 2018, in connection with the Change of Business, the Company filed a filing statement under the Company’s profile on SEDAR.

On October 23, 2018, the Company announced that it expects to launch a rights offering (the “**Rights Offering**”) whereby Shareholders as of the record date of November 15, 2018 will receive one transferable right (a “**Right**”) for every Common Share held. Every four Rights will entitle the holder to purchase one Common Share at a price of \$0.05 until the Rights expire at 4:00 p.m. on December 17, 2018. In the case of a holder who is a member of the Management Team or Board or identified by such persons, upon exercise of every four Rights by such persons, each will be granted one Warrant in accordance with the prior arrangement for the issuance of such Warrants. Each Warrant issued under the Rights Offering will entitle the holder to purchase one Common Share at a price of \$0.05 for a period of five years. In the event the 20-day volume weighted average trading price of the Common Shares equals or exceeds \$0.175, each Warrant shall be exercisable for 1.5 Common Shares, provided that, at the time of exercise in respect of the additional 0.5 of a Common Share per Warrant, either: (i) the Common Shares are listed on the facilities of a recognized stock exchange (other than the TSXV); or (ii) the Common Shares are acquired for cash or for the securities of a company listed on a recognized stock exchange (other than the TSXV).

Pursuant to the policies of the TSXV, the Private Placement, the Change in Management and Board, the Administrative Services Agreement and the Name Change will result in a “Change of Business” from that of a mining company to that of a cannabis company. Upon completion of the Change of Business, the Company intends to continue into Alberta and be listed on the TSXV as a Tier 2 Life Sciences Issuer.

Closing will occur as soon as possible upon all of the conditions of the Change of Business being satisfied, including the final approval by the TSXV. At Closing, the Company will continue as an emerging Alberta-based publicly traded retail cannabis business.

Significant Acquisitions

The Company did not complete any significant acquisitions during its most recently completed financial year for which disclosure is required under Part 8 of NI 51-102.

DESCRIPTION OF THE BUSINESS OF THE COMPANY

General

The Company plans to become a premier retail cannabis business across Canada, with a goal to open over 60 Licensed Retail Stores in the next three years, across Alberta and expanding into Ontario upon its government approving the privatized sale and distribution of recreational cannabis.

Drawing on operating and market expertise that has been cultivated over several decades in the regulated retail liquor market (which mirrors the retail cannabis framework in Alberta), the Company has a distinct competitive advantage. This advantage is bolstered by its collaborative and constructive relationships with landlords, municipalities and regulators across Alberta, a commitment to quality, and decades of operational excellence with a low-cost model. The Company's operational expertise includes a deep knowledge of demographics and consumer purchasing habits, a proven ability to identify and secure optimal locations, and a focus on tailoring product brands and consumer retail experiences based on relevant demographic data.

In Alberta, the Company has secured more than 60 retail locations in 38 communities while concurrently applying for development permits in each of those communities. To date, 17 development permits have been granted in 14 communities (Calgary, Edmonton (x2), Fairview, Grande Prairie (x2), Lethbridge, Lloydminster, Nisku, Spruce Grove, Stettler, Stony Plain (x2), Sundre, Vegreville, Vermillion and Wainwright) and the first three retail stores are in the final phase of construction.

The Company has applied for Retail Licenses in Alberta for the secured locations and during the build out process, intends to work closely with the AGLC to ensure full compliance with all policies and regulations. The Retail Licenses for the first three locations are expected to be granted by the AGLC in the near future and the stores will open for business immediately after the delivery of first inventory. Due to the significant work undertaken by the Company during the latter half of 2018, the Company expects to open an additional 10 to 15 Licensed Retail Stores in Alberta in the first half of 2019 and remains on track to meet the full-year growth target of 25 to 30 new Licensed Retail Stores open by the end of 2019.

In Ontario, which represents Canada's largest provincial market, the Company has established an ongoing arrangement with commercial real estate services firm, Avison Young, whose initial objective is to identify premier, high-traffic storefront locations across the province. To date, the Company has secured 32 locations under executed offers to lease across 20 communities including Toronto, Barrie, Brampton, Hamilton, Kingston London, Waterloo and Windsor. In addition, the Company continues to advance negotiations on an additional 125 locations across Ontario.

Subject to applicable provincial licensing and municipal regulations, the Company intends to secure and open at least three cannabis retail locations in Ontario on or about April 1, 2019 and 100 cannabis retail locations in Ontario by December 31, 2021.

Cannabis Retail

The Company intends to develop a retail cannabis business across Canada through the establishment of Licensed Retail Stores. For more information, see "*General Development of the Business – Recent*

Developments”, “*Description of the Business of the Company – General*” and “*Industry Conditions – Cannabis*”.

Specialized Skill and Knowledge

All aspects of the Company’s proposed business will require specialized skills and knowledge. Such skills and knowledge include, among other things, the sale of recreational cannabis in Canada. The Management Team is composed of individuals who have extensive expertise in the controlled substance retail industry and are well-positioned to implement the Company’s retail-focused cannabis business strategy and become a premier cannabis retailer across Canada. In addition, the Company has engaged Solo Liquor to provide administrative services to help position the Company as a low cost retailer and is anticipated to result in significant savings for the Company. For more information, see “*General Development of the Business – Recent Developments*”, “*Description of the Business of the Company – General*” and “*Directors and Officers*”.

Competitive Conditions

The Company anticipates increases in the level of competition in the Canadian cannabis industry as new participants enter the market. The principal aspects of competition are anticipated to include, among other things, securing real estate locations, obtaining Retail Licenses and regulatory approvals, the availability of cannabis products, as well as the ability to attract and retain key personnel and consumers. As of the date of this AIF, the AGLC has issued a total of 55 Retail Licenses. There are also several hundred applications for Retail Licenses that have been submitted to the AGLC. The number of Retail Licenses granted by the AGLC and other Governmental Entities could have an impact on the Company’s ability to acquire Retail Licenses across Canada. The Company believes it is in a strong competitive position with the Management Team, which has several years of experience in the controlled substance retail industry, and the Administrative Services Agreement that will allow the Company to use the existing back-office framework of Solo Liquor to access general administrative services at a lower cost than its peers. See “*Risk Factors – Risk Factors Related to the Company’s Retail-Focused Cannabis Business Strategy*”.

Intangible Properties

The Company recognizes the importance of its retail brand on the Company’s success and its competitive position and the need to protect and enhance its value. The Company, through its wholly-owned subsidiary Solo Cannabis Corp., filed trademark applications for “Solo Growth” on May 7, 2018 and for “YSS”, “by Solo” and “Where Discovery Happens” on September 25, 2018.

Employees

As at January 31, 2018, the Company had no employees. As at the date hereof, the Company has six employees.

Reorganizations

Other than as disclosed in “*General Development of the Business – Recent Developments*”, there have been no material reorganizations of the Company within the three most recently completed financial years or completed during or proposed for the current financial year.

INDUSTRY CONDITIONS – CANNABIS

Canadian Regulatory Overview

Summary of the Federal Cannabis Act and the Federal Regulations

On June 18, 2018, the Government of Canada passed legislation, the Federal Cannabis Act, outlining the framework for the legalization of recreational use of cannabis, as well as laws to address drug-impaired

driving, protection of public health and safety and prevent youth access to cannabis. Regulations to support the Federal Cannabis Act were also published in the Canada Gazette, Part II, on July 11, 2018. The Federal Cannabis Act and its regulations came into force on October 17, 2018 and adults are now able to purchase limited amounts of cannabis products from Licensed Retail Stores subject to provincial and municipal government restrictions. Federally-governed cannabis operations, including the production of cannabis for medical and recreational purposes, is no longer regulated by the CDSA. The ACMPR has been repealed and concurrently restated as Part 14 of the Federal Regulations.

Pursuant to the Federal Regulations, cannabis products require plain packaging and must be labelled with mandatory health warnings, a standardized cannabis symbol and specific information about the product. The Federal Regulations also set out strict requirements with respect to logos, colours and branding.

The Federal Cannabis Act grants the provincial and municipal governments the authority to prescribe regulations regarding retail and distribution (including advertising), as well as the ability to alter some of the existing baseline requirements, such as increasing the minimum age for purchase and consumption. Provincial and territorial governments in Canada have made varying announcements on the proposed regulatory regimes for the distribution and sale of cannabis for recreational purposes. For example, Saskatchewan and Manitoba have chosen a private sector model for distribution, whereas Alberta, British Columbia, Newfoundland and Labrador, Northwest Territories, Nunavut and Ontario have opted to pursue a hybrid approach of public and private sale and distribution.

The impact of these regulatory changes on our business is unknown, and the proposed regulatory changes and distribution models may not be implemented at all. See "*Risk Factors*".

Alberta Cannabis Framework

On November 30, 2017, the Government of Alberta passed Bill 26, which contains the regulatory framework for recreational cannabis sales in Alberta. Bill 26 amends the *Gaming and Liquor Act* (Alberta) to become the Alberta Cannabis Act, which governs the purchase, distribution, sale and consumption of recreational cannabis in the province. Under the Alberta Cannabis Act, cannabis distribution in Alberta is carried out through a hybrid retail model under the oversight of the AGLC. The cannabis distribution framework in the Alberta Cannabis Act provides that private retailers are able to open Licensed Retail Stores in Alberta, such as those proposed to be operated by the Resulting Issuer, upon obtaining Retail Licenses from the AGLC. The Alberta Cannabis Act further states that online distribution of cannabis is restricted to Government Entities.

On February 16, 2018, the Government of Alberta released the Alberta Regulations establishing regulations for the sale of recreational cannabis in Alberta, including the licensing of privately owned retail cannabis stores. The Alberta Regulations stipulate, among other restrictions, that:

1. no one person can have more than 15% of Retail Licenses in Alberta and no group of persons can have more than 15% of Retail Licenses in Alberta where, in the opinion of the AGLC, Retail Licenses are or would likely be subject to common control in any material respect;
2. cannabis retailers are required to hire individuals that are over eighteen years of age, have successfully completed training requirements set by the AGLC, and that have passed a criminal background check;
3. Licensed Retail Stores cannot be located within 100 meters of a provincial health care facility or a school;
4. Licensed Retail Stores cannot be open outside the hours of 10 a.m. and 2 a.m.;
5. Licensed Retail Stores must implement inventory tracking, count and sales systems and security measures, including alarms, video surveillance and secured product storage;

6. cannabis consumption at Licensed Retail Stores is prohibited;
7. cannabis suppliers and their representatives cannot offer, nor can retail cannabis licensees accept, perks such as loans, money, rebates, concessions, discounts, furnishings, storage equipment, fixtures, decorations, signs, supplies or anything of value; and
8. transfers of Retail Licenses are prohibited, and any change in ownership of a Licensed Retail Stores business must be preapproved by the AGLC.

The Alberta Cannabis Act and the Alberta Regulations came into effect on October 17, 2018 concurrently with the legalization of recreational cannabis.

Ontario Cannabis Framework

On December 12, 2017, the Government of Ontario passed Bill 174, which establishes the regulatory framework for recreational cannabis sales in Ontario. Among other things, Bill 174 enacted the Ontario Cannabis Act and the Ontario Cannabis Retail Corporation Act. These acts will govern the purchase, distribution, sale and consumption of recreational cannabis in the province. Currently, the Ontario Cannabis Act provides that no person is permitted to sell recreational cannabis other than the OCS and that recreational cannabis may not be distributed unless it has been or is intended to be sold by the OCS. The OCS is established under the Ontario Cannabis Retail Corporation Act pursuant to which the OCS has the exclusive right to sell recreational cannabis in Ontario subject to certain exceptions.

On August 13, 2018, the Government of Ontario announced its plan to adopt a hybrid distribution model. Commencing October 17, 2018, adults of a minimum 19 years of age will only be able to purchase recreational cannabis through an online retail platform provided by the OCS. The provincial government will introduce legislation that, if passed, would establish a private retail model for recreational cannabis by April 1, 2019. On August 20, 2018, the OCS announced that it will establish a wholesale distribution network to supply recreational cannabis to Licensed Retail Stores in Ontario.

The Ontario Cannabis Act and the Ontario Regulations came into effect on October 17, 2018 concurrently with the legalization of recreational cannabis.

Canadian Recreational Cannabis Market

In 2016, Deloitte LLP surveyed 5,000 adults of a minimum 19 years in age from across Canada and reported on the size of the recreational cannabis market in Canada. The results of the Deloitte Survey revealed that 22% of the Canadian adult population consumes cannabis recreationally on at least an occasional basis, with 7% consuming on a daily basis. A further 17% of Canadian adults showed some willingness to try cannabis if it were legal, suggesting that the total potential marketplace is close to 40% of the Canadian adult population.

According to the Deloitte Survey, the value of the retail recreational cannabis market on sales alone could be as much as \$5 billion per year, which is similar in number to the spirit market in Canada. At the upper threshold of the potential customer base, which takes into account the people who are likely to consume cannabis, sales alone could be as high as \$8.7 billion, which is similar to the revenue generated by wine in Canada. Furthermore, when factoring ancillary markets such as growers, infused product makers, testing labs and security, the potential market size approaches \$23 billion.

The Company intends to participate in the recreational cannabis. However, no assurance can be provided that the Company will be able to participate in the recreational cannabis market, design products and service the market segments in which it may compete, or establish or maintain profitability. See "*Risk Factors*".

RISK FACTORS

Investors should carefully consider the risk factors set out below and consider all other information contained herein and in the Company's other public filings before making an investment decision. The risks set out below are not an exhaustive list, and should not be taken as a complete summary or description of all the risks associated with the Company's business and the cannabis business generally.

Risk Factors Generally Related to the Company

Listing on the TSXV

In order to complete the Change of Business, the Company must meet initial listing requirements as a Tier 2 Life Sciences Issuer and, once listed, the Company must meet continuing listing requirements to maintain the listing of the Common Shares on the TSXV. The inability to meet the initial and continuing listing requirements could adversely affect the Company's results of operations or financial condition.

Reliance on Key Personnel

The Company's success depends largely on certain key personnel. The ability of the Company to retain qualified staff and obtain services in a timely and cost-efficient manner may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. Currently, the Company does not have any key person insurance in effect. The contributions of the Management Team to the Company and Company's immediate and near term operations are likely to be of central importance. In addition, the competition for qualified personnel in the cannabis industry is intense and there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of our business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the Management Team.

Management of Growth

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

Additional Funding Requirements

The Company's current cash balance and future cash flow from its operations may not be sufficient to fund its ongoing activities at all times. From time to time, the Company may require additional financing in order to carry out its retail-focused cannabis business strategy. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Company's current cash balance and future cash flow from its operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on favorable terms.

Capital Lending Markets

As a result of recent economic uncertainties in the cannabis industry, the Company may have reduced access to bank debt and to equity. As future capital expenditures will be financed out of funds generated from operations, bank borrowings, if available, and possible issuances of debt or equity securities, the Company's ability to fund future capital expenditures is dependent on, among other factors, the overall state of lending and capital markets and investor and lender appetite for investments in the cannabis industry, generally, and the Company's securities in particular.

To the extent that external sources of capital become limited, unavailable or available only on onerous terms, the Company's ability to invest and to maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be materially and adversely affected as a result.

Issuance of Debt

From time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase the Company's debt levels above industry standards. Neither the Company's articles of incorporation nor its by-laws limit the amount of indebtedness that the Company may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise. The Company's ability to meet its debt service obligations will depend on the Company's future operations which are subject to prevailing industry conditions and other factors, many of which are beyond the control of the Company. As certain of the indebtedness of the Company would bear interest at rates which fluctuate with prevailing interest rates, increases in such rates would increase the Company's interest payment obligations and could have a material adverse effect on the Company's financial condition and results of operations. Further, the Company's indebtedness would be secured by substantially all of the Company's assets. In the event of a violation by the Company of any of its loan covenants or any other default by the Company on its obligations relating to its indebtedness, the lender could declare such indebtedness to be immediately due and payable and, in certain cases, foreclose on the Company's assets.

Expansion into New Activities

The operations and expertise of the Company's management are currently focused on developing a sustainable retail cannabis business across Canada. In the future, the Company may acquire or move into new industries or new geographical areas, may acquire different cannabis related assets, and as a result may face unexpected risks or alternatively, significantly increase the Company's exposure to one or more existing risk factors, which may in turn result in the Company's future operational and financial conditions being adversely affected.

Breach of Confidentiality

While discussing potential business relationships or other transactions with third parties, the Company may disclose confidential information relating to the business, operations or affairs of the Company. Although confidentiality agreements are signed by third parties prior to the disclosure of any confidential information, a breach could put the Company at competitive risk and may cause significant damage to its business. The harm to the Company's business from a breach of confidentiality cannot presently be quantified, but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, the Company will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

Conflicts of Interest

Directors and officers of the Company may also be directors and officers of other companies involved in the retail cannabis industry, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as apply under the BCBCA or ABCA, as applicable.

Dilution

The Company may make future acquisitions or enter into financings or other transactions involving the issuance of its securities which may be dilutive.

Third Party Credit Risk

The Company is, or may be, exposed to third party credit risk through the Company's contractual arrangements with its current or future partners, marketers and other parties. In the event such entities fail to meet their contractual obligations to the Company, such failures could have a material adverse effect on the Company and its cash flow from operations.

Political Uncertainty

To the extent that certain political actions taken in North America, Europe and elsewhere in the world result in a marked decrease in free trade, access to personnel and freedom of movement, it could have an adverse effect on the Company's ability to market products internationally, increase costs for goods and services required for operations, reduce access to skilled labour and negatively impact business, operations, financial conditions and the market value of the Common Shares.

Forward-Looking Information May Prove to be Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Legal Proceedings

In the normal course of the Company's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to personal injuries, property damage, property tax, land rights, the environment and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Company and as a result, could have a material adverse effect on the Company's assets, liabilities, business, financial condition and results of operations.

Risk Factors Related to the Company's Retail-Focused Cannabis Business Strategy

Change in Cannabis Laws, Regulations and Guidelines

Activities in the retail cannabis industry are subject to a variety of laws, regulations and guidelines relating to the distribution, possession, sale, advertisement, packaging, health, safety, purchasing and consumption of cannabis products under a Retail License and the operation, physical structure and security of Licensed Retail Stores.

These laws and regulations are broad in scope, subject to evolving interpretations and may change in ways currently unforeseen by the Company. If any changes to such laws, regulations and guidelines occur, which are matters beyond the control of the Company, the Company's future activities in the industry may incur significant costs in complying with such changes or it may be unable to comply therewith, which in turn may result in a material adverse effect on the Company's business, financial condition and results of operation. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the Company's business strategy and result in a material adverse effect on certain aspects of its planned operations.

The Federal Cannabis Act and the Federal Regulations prohibit testimonials, lifestyle branding and packaging that is appealing to youth. The restrictions on advertising, marketing and the use of logos and brand names could have a material adverse impact on the Company's proposed business, financial condition and results of operation.

The legislative framework pertaining to the Canadian recreational cannabis market and the impact thereof remains uncertain. The governments of every Canadian province and territory have, to varying degrees, announced proposed regulatory regimes for the distribution and sale of cannabis for recreational use within those jurisdictions. There is no guarantee that provincial legislation regulating the distribution and sale of cannabis for recreational use will be enacted according to all the terms announced by such provinces and territories, or at all, or that any such legislation, if enacted, will create the growth opportunities that the Company currently anticipates. Any of the foregoing could result in a material adverse effect on the Company's business, financial condition and results of operations.

Operation Permits and Authorizations

The recreational cannabis industry is in its early development stage and restrictions on sales and marketing activities imposed by Health Canada, the AGLC, the OCS, various medical associations, other governmental or quasi-governmental bodies or voluntary industry associations may adversely affect the Company's ability to conduct sales and marketing activities and could have a material adverse effect on the Company's business, operating results or financial condition.

The Company may not be able to obtain or maintain the necessary Retail Licenses, permits, authorizations or accreditations, or may only be able to do so at great cost, to operate its retail business. In addition, the Company's activities may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain the necessary licenses, permits, authorizations or accreditations could result in restrictions on the Company's ability to operate in the cannabis industry, which could have a material adverse effect on the Company's business.

Competition

The Company intends to develop a retail cannabis business across Canada through the establishment of Licensed Retail Stores. The Company expects that the cannabis retail industry will be highly competitive, with a large number of potential entrants who will be competing for available real estate locations and Retail Licenses. The Company will face intense competition from other companies, some of which can be expected to have more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

To remain competitive, the Company will require a continued high level of investment in hiring, training and retention of marketing, sales and customer service staff. The Company may not have sufficient resources to retain and training of marketing, sales and customer service staff on a competitive basis which could materially and adversely affect the business, financial condition and operating results of the Company.

The Company will also face competition from illegal cannabis dispensaries that are selling cannabis to individuals despite not having a valid Retail License. Many illegal dispensaries are still in operation, providing the Company with additional competition.

Cannabis Retail Licenses

The retail and distribution model in each province and territory in Canada will have an impact on the Company's proposed operations. Each of the Canadian provinces and territories are responsible for implementing its own legislation to regulate the sale of cannabis. Provincial legislation may vary in material respects, including the minimum age to buy cannabis, cannabis products available for sale and whether cannabis will be sold by government boards, licensed private retailers or both.

Client Acquisition and Retention

The Company's success will depend on its ability to attract and retain consumers. There are many factors which could impact the Company's ability to attract and retain consumers, including but not limited to the

Company's ability to continually supply and sell desirable and quality product. The Company's failure to acquire and retain consumers would have a material adverse effect on the business, financial condition and operating results of the Company.

Unfavorable Publicity or Consumer Perception

Management of the Company believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of cannabis sold. Consumer perception of cannabis products may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the recreational cannabis industry or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis products and the business, results of operations, financial condition and cash flows of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis products or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Further, once the Company enters the retail cannabis industry, the parties with which the Company conducts business may perceive that they are exposed to reputational risk as a result of the Company's cannabis business activities. Affected relationships could include, without limitation, those with real estate personnel, marketers and bankers. For example, the Company may in the future have difficulty establishing or maintaining bank accounts or other business relationships with firms choosing to not invest in the cannabis industry. Failure to establish or maintain business relationships could have a material adverse effect on the Company.

Proprietary Market Research

The Company must rely largely on its own market research to forecast sales as the research relating to the recreational cannabis market is not yet available. A failure in the demand for cannabis products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the Company's business, results of operations and financial condition.

Commodity Taxes and Government Mark-Ups

Changes in tax rates or government mark-ups, and their corresponding effect on product pricing, could affect sales and/or earnings. If taxes or government mark-ups increase and the Company increases prices by the full amount of the tax or the mark-up, as the case may be, sales volumes could be adversely impacted. If the Company is not able to pass the full amount of the tax or mark-up increase on to consumers, then gross margins and earnings could be adversely impacted. There can be no assurance that governments will not change tax or mark-up rates in the future.

Vulnerability to Rising Prices of Key Inputs

The Company's business will be dependent on the supply of cannabis products from Licensed Producers to the AGLC and the OCS. Licensed Producers' growing operations are dependent on a number of key inputs and their related costs, including raw materials and supplies. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact Licensed Producers and, in turn, the Company's financial condition and operating results. Any inability of

Licensed Producers to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the Company's business, financial condition and operating results.

Operating Risk and Insurance Coverage

The Company maintains commercial general liability insurance and will add insurance to protect the operations and inventory suitable for a retailer for any Licensed Retail Store the Company opens. While the Company believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Safety and Health Regulations

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

Liability, Enforcement Complaints, etc.

The Company's participation in the cannabis industry may lead to litigation, formal or informal complaints, enforcement actions and inquiries by various federal, provincial, or local governmental authorities against the Company or its activities. Litigation, complaints and enforcement actions involving either the Company or its activities could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Difficulty Transitioning and Growing a Business

There can be no assurance that the Company will be successful in the implementation of its retail-focused cannabis business strategy. The Company's transition to a cannabis retail business may be subject to growth-related risks including capacity constraints and pressure on the Company's internal systems and controls.

Available Talent Pool

The implementation of the Company's retail-focused cannabis business strategy will require employing personnel with cannabis expertise. However, experienced talent in the marketing and sales of cannabis may be limited and there can be no assurance that the appropriate individuals will be available or affordable to the Company. Without adequate personnel and expertise, the implementation of the Company's retail cannabis business may suffer.

Additional information on the risks, assumptions and uncertainties are found in this AIF under the heading "*Forward-Looking Statements*" above.

DIVIDENDS

The Company has not declared or paid any dividends since incorporation. Any decision to pay dividends on the Common Shares or the convertible series “A” preferred shares in the capital of the Company (the “**Series “A” Preferred Shares**”), if issued, will be made by the Board on the basis of the Company’s earnings, financial requirements and other conditions existing at the relevant time.

DESCRIPTION OF SHARE CAPITAL

The Company is authorized to issue an unlimited number of Common Shares and 10,000,000 Series “A” Preferred Shares. As at January 31, 2018, there were 53,697,733 Common Shares, 12,000,000 Warrants, 4,950,000 Former Options and nil Series “A” Preferred Shares issued and outstanding. The 12,000,000 Warrants were issued pursuant to the 2016 Private Placement. Each Warrant entitles the holder thereof to purchase one Common Share at price of \$0.06 until November 22, 2021.

As at November 8, 2018, being the last trading before the filing of this AIF, there were 569,047,133 Common Shares, nil Series “A” Preferred Shares, nil Options and 128,980,000 Warrants issued and outstanding, of which 12,000,000 Warrants were issued pursuant to the 2016 Private Placement and the remaining 116,980,000 were issued pursuant to the Private Placement. In connection with the Change in Management and Board, all outstanding Former Options were exercised or terminated prior to June 28, 2018. See “*General Development of the Business – Three Year History*” and “*General Development of the Business – Recent Developments*” above.

Common Shares

The holders of Common Shares are entitled to notice of and to one vote per Common Share at all meetings of shareholders. Holders of Common Shares are entitled to receive, if, as and when declared by the Board, such dividends as may be declared thereon by the Board from time to time, subject to the rights of holders of Series “A” Preferred Shares and any other class of shares of the Company entitled to receive dividends in priority to or concurrently with the holders of the Common Shares. In the event of the liquidation, dissolution or winding-up of the Company or other distribution of property or assets of the Company among its shareholders, holders of Common Shares, are entitled to share pro rata in the distribution of the property or assets, subject to the rights of holders of Series “A” Preferred Shares or shares of any other class ranking in priority to the Common Shares.

Series “A” Preferred Shares

The holders of Series “A” Preferred Shares have the right to attend any general meeting of shareholders but are not entitled to vote at any such meeting. Holders of Series “A” Preferred Shares are entitled to receive, if, as and when declared by the Board, dividends at the rate of 10% per annum. The Board shall not declare a dividend in respect of the Common Shares or any other class of shares ranking junior to the Series “A” Preferred Shares until all outstanding Series “A” Preferred Shares have been converted to Common Shares. The dividends may, in whole or in part, be convertible into Common Shares at the discretion of the Board.

In the event of the liquidation, dissolution or winding-up of the Company or other distribution of property or assets of the Company among its shareholders, the holders of Series “A” Preferred Shares are entitled to receive out of the assets and property of the Company, before any amount is paid or any property or assets of the Company are distributed to the holders of Common Shares or shares of any other class ranking junior to the Series “A” Preferred Shares, their respective declared but unpaid dividends together with their respective redemption price of \$1.00 per Series “A” Preferred Share (the “**Redemption Price**”), after which point, holders of Series “A” Preferred Shares will not be entitled to share in any future distribution of the property or assets.

The Company may at any time purchase all, but not less than all, of the Series “A” Preferred Shares at their Redemption Price, and at which point, the Company will also pay outstanding dividends owing to the

Series “A” Preferred Shares, whether declared or undeclared. Provided that the Series “A” Preferred Shares have not been redeemed by the Company, holders of Series “A” Preferred Shares may convert their Series “A” Preferred Shares into Common Shares on a one for four basis in the amount of 25% one year after the issuance and may convert 25% each year thereafter.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed on the TSXV under the name “Aldershot Resources Ltd.” and the symbol “ALZ”. Upon completion of the Change of Business, the Common Shares will commence trading under the new name, “Solo Growth Corp.™”, and the new trading symbol, “SOLO”.

The following table sets the price range and trading volume of the Common Shares for the period from February 1, 2017 to January 31, 2018, as reported by the TSXV:

<u>Month</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
2017			
February	0.095	0.04	756,900
March	0.085	0.055	298,120
April	0.1	0.06	1,454,669
May	0.075	0.055	689,400
June	0.085	0.05	179,722
July	0.05	0.04	145,000
August	0.05	0.035	322,840
September	0.04	0.035	85,630
October	0.035	0.025	476,800
November	0.04	0.025	1,017,400
December	0.045	0.03	970,030
2018			
January	0.07	0.03	2,412,200

Prior Sales

No securities of the Company that are outstanding but not listed or quoted on a marketplace were issued during the most recently completed financial year of the Company, except as follows:

<u>Issue Date</u>	<u>Transaction</u>	<u>Number and Type of Securities</u>	<u>Exercise Price per Security</u>
September 5, 2017	Grant of Former Options ⁽¹⁾	500,000 Options	\$0.05 per Common Share
September 12, 2017	Grant of Former Options ⁽¹⁾	400,000 Options	\$0.05 per Common Share

Note:

- (1) In connection with the Change in Management and Board, all outstanding Former Options granted under the Former Stock Option Plan were exercised or terminated.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table summarizes details of the Company's securities of each class held in escrow or that are subject to a contractual restriction on transfer as of the date hereof:

<u>Designation of Class</u>	<u>Number of Securities Held in Escrow</u>	<u>Percentage of Class⁽¹⁾</u>
Common Shares	94,220,000	16.56%
Warrants	93,520,000	72.51%

Note:

(1) Based on 569,047,133 Common Shares and 128,980,000 Warrants issued and outstanding as of the date hereof.

The Escrowed Securities are subject to the Voluntary Pooling Agreement and will, following the completion of the Change of Business, be held in escrow by the Escrow Agent, Computershare, pursuant to the Escrow Agreement. In addition to the resale restrictions of applicable securities laws, the Escrowed Securities are subject to the Voluntary Pooling Agreement and, following Closing, will be subject to the Escrow Agreement.

Pursuant to the Voluntary Pooling Agreement, the Escrowed Securities are restricted from transfer until the Exchange has granted final acceptance of the Change of Business. Pursuant to the Escrow Agreement, the Escrowed Securities will be held in escrow and released in accordance with the schedule applicable under a Tier 2 Value Security Escrow Agreement. It is expected that the Company will make an application to the Exchange to be listed as a Tier 1 Issuer. If the graduation to Tier 1 is accepted by the Exchange, the release schedule will be replaced with the release schedule applicable under a Tier 1 Value Security Escrow Agreement.

DIRECTORS AND OFFICERS

The names, municipality of residence and principal occupation during the last five years of each of the directors and officers of the Corporation as of the date hereof are as follows:

Name and Municipally of Residence	Principal Occupation During the Past 5 years	Director and/or Officer Since	Position(s) Presently Held
Pali Bedi <i>Calgary, Alberta</i>	Chief Executive Officer of Solo Liquor since 1996. Principal at Avison Young Real Estate Alberta since 2000. President and Chief Executive Officer of Genco Development Corporation since 2005.	June 28, 2018	President, Chief Executive Officer and Director
Jasbir Hans <i>Calgary, Alberta</i>	President of Solo Liquor since 1996.	June 28, 2018	Vice President, Operations
Stephanie Bunch <i>Calgary, Alberta</i>	Vice President, Business Performance and Finance Lead, Mergers and Acquisitions of Centrica Energy (Direct Energy Marketing Limited) from May 2013 until September 2017.	June 28, 2018	Vice President, Finance and Chief Financial Officer
Theodore Zurich <i>Calgary, Alberta</i>	Principal, Investment Banking at Eight Capital (formerly Dundee Capital Markets) from December 2016 until July 2018. Prior thereto, Associate, Vice President of Dundee Capital Markets from August 2012 until December 2016.	August 1, 2018	Vice President, Corporate Development
Sanjib (Sony) Gill <i>Calgary, Alberta</i>	Partner at McCarthy Tétrault LLP, a national law firm.	June 28, 2018	Corporate Secretary
Richard McHardy ⁽²⁾ <i>Calgary, Alberta</i>	President and Chief Executive Officer of Spartan Energy Corp. from December 2013 until May 2018.	June 28, 2018	Director
Ron Hozjan ⁽¹⁾ <i>Calgary, Alberta</i>	Vice President, Finance and Chief Financial Officer of Tamarack Valley Energy Ltd. since 2010.	June 28, 2018	Director
Shahin (Sonny) Mottahed ⁽¹⁾ <i>Calgary, Alberta</i>	Chief Executive Officer, co-founder and a director of 51st Parallel Inc. President, Chief Executive Officer and Chairman of Target Capital Inc. d.b.a CBI ² Capital. Chief Executive Officer and a Managing Partner of Black Spruce Merchant Capital.	June 28, 2018	Director
Michael Stark ⁽¹⁾⁽²⁾ <i>Calgary, Alberta</i>	Chairman of Spartan Energy Corp. from December 2013 to May 2018.	June 28, 2018	Director
James Miller ⁽²⁾ <i>Calgary, Alberta</i>	President of Boarder Capital Inc. since May 2013.	June 28, 2018	Director

Notes:

(1) Member of the Company's audit committee.

(2) Member of the Company's corporate governance and compensation committee.

As at the date hereof, the directors and officers of the Company, and their associates and affiliates, as a group, whether beneficial, direct or indirect, own 94,220,000 Common Shares, representing approximately 16.56% of the currently outstanding Common Shares.

The directors listed above will hold office until the next annual meeting of Shareholders or until their successors are elected or appointed.

Cease Trade Orders

No director or executive officer of the Company is, or within ten years prior to the date of this AIF has been, a director, a chief executive officer or a chief financial officer of any company (including the Company), that:

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

Bankruptcies

No director, executive officer or, to the best of the Company's knowledge, any shareholder holding a sufficient number of securities of the Company to affect materially control of the Company, is, or within ten years prior to the date of this AIF has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has, within the past ten years prior to the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties or Sanctions

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

Conflicts of Interest

Certain of the directors and officers of the Company are also directors and/or officers of other reporting and non-reporting issuers, which may give rise to conflicts of interest. In accordance with corporate laws, directors who have an interest in a contract or a proposed contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors of the Company have other employment or other business or time restrictions placed on them and accordingly, these directors of the Company will only be able to devote part of their time to the affairs of the Company. In particular, certain of the directors and officers are involved in managerial and/or director positions with other cannabis companies whose

operations may, from time to time, provide financing to, or make equity investments in, competitors of the Company. Conflicts will be subject to the procedures and remedies available under the BCBCA or ABCA, as applicable. The BCBCA or ABCA, as applicable, provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the BCBCA or ABCA, as applicable. Except as disclosed herein, the Company is not aware of any existing or potential material conflicts of interest between the Company and any director or officer of the Company as of the date hereof.

Mr. Gill, Corporate Secretary of the Company, is a partner of the national law firm McCarthy Tétrault LLP, which law firm renders legal services to the Company.

Mr. Bedi, President, Chief Executive Officer and a director of the Company, and Mr. Hans, Vice President, Operations of the Company, are each a director and executive officer of Solo Liquor.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the best of the Company's knowledge, since the beginning of the most recently completed fiscal year, there have not been any legal proceedings to which the Company has been a party or of which any of its properties have been the subject matter, nor are any such proceedings known to the Corporation to be contemplated.

To the best of the Company's knowledge, since the beginning of the most recently completed fiscal year, there have not been any penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decisions, and the Company has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the best of the Company's knowledge, there are no material interests, direct or indirect, of directors or executive officers of the Company, any shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years of the Company or during the current financial year which has materially affected, or is reasonably expected to materially affect, the Company.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Computershare at its principal offices in Calgary, Alberta and Toronto, Ontario.

MATERIAL CONTRACTS

No material contracts entered into by the Company within the most recently completed financial year or before the most recently completed financial year are still in effect.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or related to, the year ended January 31, 2018 other than DMCL, the former auditors of the Company.

As at the date hereof, to the knowledge of the Company, none of DMCL had any registered beneficial interests, direct or indirect, in any securities or other property of the Company or of the Company's associates or affiliates either at the time they prepared the statement, report or valuation prepared by it, at any time thereafter or to be received by them.

DMCL are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed in the relevant professional bodies in Canada and any applicable legislation or regulation.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or any associate or affiliate of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's information circular for the Company's most recent Shareholders' meeting that involved the election of directors. Additional financial information is contained in the Company's consolidated financial statements and the related management's discussion and analysis for the year ended January 31, 2018.