

Form 62-103F1

REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

State if the report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Not applicable.

Item 1 - Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Securities: subordinate voting shares (“**SV Shares**”)

Issuer: Bhang Inc. (“**Bhang**” or the “**Issuer**”)
66 Wellington Street West, Suite 4100
Toronto, Ontario
M5K 1B7

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable

Item 2 - Identity of the Acquiror

2.1 State the name and address of the Acquiror

Forbes Andersen LLP (the “**Forbes**”)
340 Richmond Street West
Toronto, Ontario M5V 1X2

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On July 9, 2019 the Issuer completed a reverse takeover transaction (the “**RTO**”) with Bhang Corporation (“**Bhang US**”). The Issuer will carry on the business of Bhang US, which is now a wholly-owned subsidiary of the Issuer. With the completion of the RTO, the Issuer has 49,112,627 SV Shares issued and outstanding (on an undiluted basis), and 56,634.128 multiple voting shares (“**MV Shares**”). Each MV Share is convertible into 1,000 SV Shares in certain circumstances. The completion of the RTO resulted in WF's holdings of the Issuer to decrease to less than 10% of the issued and outstanding SV Shares.

2.3 State the names of any joint actors.

Not applicable.

Item 3 - Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's security holding percentage in the class of securities.

The 490,506 SV Shares held by Forbes represent approximately 0.99% of the outstanding SV Shares, without the conversion of the MV Shares and represent approximately 0.46% of the number of outstanding SV Shares upon conversion of the MV Shares as described in Item 2.2 above.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

See Item 2.2 above.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Prior to the RTO, Forbes held 490,506 SV Shares of the Issuer representing approximately 10.7% of the Issuer's issued and outstanding SV Shares.

Immediately after the RTO, Forbes held 490,506 SV Shares of the Issuer representing 0.99% of the issued and outstanding SV Shares of the Issuer.

Upon conversion of the MV Shares as described in Item 2.2 above, Forbes would hold 490,506 SV Shares of the Issuer representing 0.46% of the issued and outstanding SV Shares of the issuer.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

490,506 SV Shares representing 0.99% of the outstanding SV Shares, without the conversion of the MV Shares and representing approximately 0.46% of the outstanding SV Shares upon the conversion of the MV Shares as described in Item 2.2 above.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 - Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

Not applicable.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

Not applicable.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

See Item 2.2 above.

Item 5 - Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**
- (k) an action similar to any of those enumerated above.**

Forbes may from time to time, depending on market and other conditions, acquire additional SV Shares or dispose of SV Shares through private agreement or otherwise.

Item 6 - Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons

and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 - Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 - Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and described the facts supporting that reliance.

Not applicable.

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Certificate

I, as the Acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

DATED this 9th day of July, 2019.

FORBES ANDERSEN LLP

Per: “Michael Johnston”
Michael Johnston