



NOTICE OF ANNUAL MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

OF

PLANET 13 HOLDINGS INC.

*to be held at 12:00 p.m. (Pacific Daylight Time) on Tuesday, July 13, 2021 at
2548 West Desert Inn Road, Las Vegas, Nevada (and virtually as set out herein)*



PLANET 13 HOLDINGS INC.

*2548 West Desert Inn Road, Las Vegas, Nevada, 89109
Phone: (702) 206-1313*

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of Planet 13 Holdings Inc. (the “**Company**”) will be held at **2548 West Desert Inn Road, Las Vegas, Nevada** on **Tuesday, July 13, 2021 at 12:00 p.m.** (Pacific Daylight Time), for the following purposes:

1. to receive the audited consolidated financial statements of the Company, together with the auditor’s report thereon, for the fiscal year ended December 31, 2020;
2. to elect directors for the ensuing year to hold office until the close of business of the next annual meeting of the Company’s Shareholders;
3. to re-appoint Davidson & Company LLP as the auditors of the Company for the ensuing year and to authorize the directors of the Company to fix the remuneration to be paid to the auditors; and
4. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The Company is also offering a virtual Meeting in which Shareholders may listen to the Meeting, submit questions and vote online at: <https://web.lumiagm.com/262532803> and in light of the current COVID-19 public health emergency and to protect the Company’s employees, Shareholders and other stakeholders, the Company encourages Shareholders to participate virtually by live audio webcast rather than in person. Shareholders will have an equal opportunity to participate in the Meeting online regardless of their geographic location or equity ownership.

A Management Information Circular and Form of Proxy accompany this Notice. The Management Information Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice.

Registered Shareholders as at the close of business on June 8, 2021, the record date, are entitled to notice of and vote at the Meeting in person or by proxy. Registered Shareholders who are unable to attend the Meeting, or any adjournment(s) or postponement(s) thereof, in person or virtually, are requested to read, complete, sign and return or follow the instructions to vote over the telephone or on the internet the Form of Proxy accompanying this Notice in accordance with the instructions set out in the form of Proxy and in the Management Information Circular accompanying this Notice. Beneficial Shareholders who received the form of Proxy accompanying this Notice through an intermediary must deliver the Proxy in accordance with the instructions given by such intermediary.

We are actively monitoring the public health and travel safety concerns relating to COVID-19 and the advisories or mandates that federal, state, provincial and local governments, and related agencies, may issue. In the event it is not possible or advisable to hold the Meeting as currently planned, we will announce the decision to do so via the issuance of a press release and posting details on our website that will also be filed on SEDAR as proxy material. If you are planning to attend the Meeting please check our website the week of the Meeting. As always, we encourage you to vote your shares prior to the Meeting.

DATED at Las Vegas, Nevada, this 8thth day of June, 2021.

BY ORDER OF THE BOARD OF PLANET 13 HOLDINGS INC.

“Larry Scheffler”

Larry Scheffler
Co-Chief Executive Officer

“Robert Groesbeck”

Robert Groesbeck
Co-Chief Executive Officer



PLANET 13 HOLDINGS INC.

2548 West Desert Inn Road, Las Vegas, Nevada 89109

Phone: (702) 206-1313

MANAGEMENT INFORMATION CIRCULAR

(As at June 8, 2021, except as indicated)

This management information circular (“**Circular**”) is furnished in connection with the solicitation of proxies by the management (“**Management**”) of Planet 13 Holdings Inc. (the “**Company**”) for use at the annual meeting (the “**Meeting**”) of shareholders (“**Shareholders**”) of the Company to be held at 12:00 p.m. (Pacific Daylight Time) on Tuesday, July 13, 2021 at 2548 West Desert Inn Road, Las Vegas, Nevada for the purposes set forth in the notice of the Meeting (the “**Notice of Meeting**”).

The Company is offering Shareholders the ability to participate in the Meeting virtually by live audio webcast. In view of the current and rapidly evolving COVID-19 outbreak, the Company asks that, in considering whether to attend the Meeting in person, Shareholders follow the instructions provided by the relevant governmental authorities and agencies including recommendations to stay at home for the prescribed 14-day period if returning from a COVID-19 affected region or following potential exposure to COVID-19. The Company also strongly encourages Shareholders NOT to attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. Shareholders attending the Meeting are requested to follow certain hygiene measures, including washing or disinfecting hands upon arrival at the Meeting, and covering their mouth and nose with their arm when coughing or sneezing and regardless, as noted above, the Company encourages Shareholders to participate virtually by live audio webcast rather than in person. The Company may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak.

PROXIES AND VOTING RIGHTS

Management Solicitation

The solicitation of proxies by Management will be conducted by mail and may be supplemented by telephone or other personal contact and such solicitation will be made without special compensation granted to the directors, regular officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining, from the principals of such persons, authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this Circular and related proxy materials to their customers. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular. This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Registered Shareholders

If you are a registered Shareholder, you may wish to vote by proxy whether or not you attend the Meeting in person or virtually. If you submit a proxy, you must complete, date and sign the proxy, and return it to Odyssey Trust Company (“Odyssey”) located at Stock Exchange Tower, Suite 1230, 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, Canada, not less than 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of Alberta) prior to the scheduled time of the Meeting, or any adjournment(s) or postponement(s) thereof.

The following voting options are available for registered Shareholders:

By Mail or Hand Delivery	Odyssey Trust Company 1230- 300-5 th Avenue SW, Calgary, AB T2P 3C4
By Facsimile	1-800 - 517-4553
By Internet	https://login.odysseytrust.com/pxlogin Registered Shareholders will need to provide the 12 digit control number located on the form of proxy accompanying this Circular

Voting Virtually at The Meeting

Registered Shareholders may also vote at the virtual Meeting by completing a ballot online during the virtual Meeting, as further described below under “*Attending and Participating at the Virtual Meeting.*”

Beneficial Shareholders who have not duly appointed themselves as proxyholder will not be able to vote at the virtual Meeting. This is because the Company and Odyssey, its transfer agent, do not have a record of the beneficial Shareholders of the Company and, as a result, will have no knowledge of your shareholdings or entitlement to vote, unless you appoint yourself as proxyholder. If you are a beneficial Shareholder and wish to vote at the virtual Meeting, you have to appoint yourself as proxyholder, by inserting your own name in the space provided on the voting instruction form sent to you and must follow all of the applicable instructions provided by your intermediary. See “*Attending and Participating at the Virtual Meeting*”, “*Non-Registered Shareholders*” and “*Appointment of a Third Party as Proxy.*”

In light of COVID-19, the Company strongly encourages Shareholders to attend, participate and vote at the virtual Meeting rather than appearing in person, or appointing an alternate proxyholder to attend the Meeting in person.

Attending and Participating at the Virtual Meeting

In addition to holding a physical Meeting, the Company is also hosting a virtual Meeting which will be conducted via live audio webcast. In order to attend, participate or vote at the virtual Meeting (including asking questions at the Meeting), Shareholders must have a valid Username.

Registered Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/262532803>. Such persons may then enter the Meeting by clicking “I have a login” and entering a Username and Password before the start of the Meeting:

Registered Shareholders: The control number located on the form of proxy (or in the email notification you received) is the Username. The Password to the Meeting is “planet13” (case sensitive). If as a registered Shareholder you are using your control number to login to the Meeting and you accept the terms and conditions, you will be revoking any

and all previously submitted proxies for the Meeting and will be provided the opportunity to vote by online ballot on the matters put forth at the Meeting. If you do not wish to revoke a previously submitted proxy, as the case may be, you will need to attend the Meeting as a guest.

Duly appointed proxyholders: Odyssey will provide the proxyholder with a Username by e-mail after the voting deadline has passed. The Password to the Meeting is “planet13” (case sensitive). Only registered Shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting. Beneficial Shareholders who have not duly appointed themselves as proxyholder will not be able to attend, participate or vote at the Meeting. Shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting (including beneficial Shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting) **MUST** submit their duly completed proxy or voting instruction form **AND** register the proxyholder. See “*Non-Registered Shareholders*” and “*Appointment of a Third Party as Proxy*”.

Non-Registered Shareholders

Only directly registered Shareholders or duly appointed proxyholders are entitled to vote at the Meeting. Most Shareholders are non-registered Shareholders (“**Non-Registered Shareholders**”) because the common shares of the Company (“**Common Shares**”) or the class A restricted voting shares of the Company (“**Restricted Voting Shares**”) they own are not registered in their names but are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Common Shares or the Restricted Voting Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESSPs and similar plans); or (b) in the name of a clearing agency such as The Canadian Depository for Securities Limited in Canada or the Depository Trust Company in the United States, of which the Intermediary is a participant. The Common Shares and Restricted Voting Shares are hereinafter collectively referred to as the “**Shares**”.

Intermediaries are required to forward the Notice of Meeting, this Circular and form of proxy (collectively, the “**Meeting Materials**”) to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- a) Be given a proxy which **has already been signed by an Intermediary** (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares or Restricted Voting Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. This form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should otherwise properly complete the form of proxy and **return it in accordance with the instructions provided in the proxy**; or
- b) More typically, be given a voting instruction form which **is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**Voting Instruction Form**” or “**VIF**”), which the Intermediary must follow.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares or the Restricted Voting Shares they beneficially own. However, without specific voting instructions, Intermediaries and their agents and nominees are prohibited from voting shares for their clients. **Accordingly, each Non-Registered Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Should a Non-Registered Shareholder who receives either a proxy or a VIF wish to attend the Meeting or have someone else attend on his or her behalf, the Non-Registered Shareholder should strike out the names of the persons named in the Proxy or VIF and insert the Non-Registered Shareholder’s (or such other person’s) name in the blank space provided or, in the cases of a VIF, follow the corresponding instructions on the form. In addition, such Non-Registered Shareholders should register such proxyholder to allow such proxyholder to attend and participate at the virtual Meeting. Please see instructions below under “*Appointment of a Third Party as Proxy*”.

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). Pursuant to NI 54-101, issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs.

These Meeting Materials are being sent to both registered and non-registered owners of the Common Shares. If you are a Non-Registered Shareholder, and the Company or its agent has sent these Meeting Materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them. The Company intends to pay for Intermediaries to forward the Meeting Materials to OBOs.

Appointment of a Third Party as Proxy

The following applies to Shareholders who wish to appoint a person (a “**third party proxyholder**”) other than the management nominees set forth in the form of proxy or VIF as proxyholder, including beneficial Shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Shareholders who wish to appoint a third party proxyholder to attend, participate or vote at the Meeting as their proxy and vote their Shares **MUST** submit their proxy or VIF (as applicable and as described under “*Non-Registered Shareholders*” above) appointing such third party proxyholder **AND** register the third party proxyholder, as described below. Registering your proxyholder is an additional step to be completed **AFTER** you have submitted your proxy or VIF. Failure to register the proxyholder will result in the proxyholder not receiving a Username to attend, participate or vote at the Meeting.

Step 1: Submit your proxy or VIF: To appoint a third party proxyholder, insert such person's name in the blank space provided in the form of proxy or VIF (if permitted) and follow the instructions for submitting such form of proxy or VIF. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or VIF. If you are a beneficial Shareholder located in the United States, you must also provide Odyssey with a duly completed legal proxy if you wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder. See below under “*Legal Proxy – US Beneficial Shareholders*” for additional details.

Step 2: Register your proxyholder: To register a proxyholder, Shareholders **MUST** send an email to Planet13@odysseytrust.com by 12:00 p.m. (PDT) on July 9, 2021 and provide Odyssey with the required proxyholder contact information, amount of Shares appointed, name in which the Shares are registered if they are a registered Shareholder, or name of broker where the Shares are held if a beneficial Shareholder, so that Odyssey may provide the proxyholder with a Username via email. Without a Username, proxyholders will not be able to attend, participate or vote at the virtual Meeting.

If you are a beneficial Shareholder and wish to attend, participate or vote at the virtual Meeting, you have to insert your own name in the space provided on the VIF sent to you by your Intermediary, follow all of the applicable instructions provided by your Intermediary **AND** register yourself as your proxyholder, as described above. By doing so, you are instructing your Intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your Intermediary. Please also see further instructions above under the headings “*Non-Registered Shareholders*” and “*Attending and Participating at the Virtual Meeting*”.

Legal Proxy – US Beneficial Shareholders

If you are a beneficial Shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above, you must obtain a valid legal proxy from your Intermediary. Follow the instructions from your Intermediary included with the legal proxy form and the VIF sent to you, or contact your Intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your Intermediary, you must then submit such legal proxy to Odyssey. Requests for registration from beneficial Shareholders located in the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail to Planet13@odysseytrust.com by 12:00 p.m. (PDT) on July 12, 2021.

Appointment and Revocation of Proxies

The persons named in the accompanying form of proxy are directors and/or officers of the Company. A Shareholder has the right to appoint a person or company (who need not be a Shareholder) other than the persons whose names appear in such form of proxy, to attend and act for and on behalf of such Shareholder at the Meeting and any adjournment(s) or postponement(s) thereof. Such right may be exercised either by striking out the names of the persons specified in the form of proxy and inserting the name of the person or company to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to Odyssey Trust Company located at Stock Exchange Tower, Suite 1230, 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, Canada, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting, or any adjournment(s) or postponement(s) thereof.

A registered Shareholder of the Company who has given a proxy may revoke the proxy by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the registered Shareholder is a corporation, by an officer or attorney thereof properly authorized, either: (i) at the principal office of the Company at any time prior to 5:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof, (ii) with the said office of Odyssey Trust Company Attn: Proxy Department at any time prior to 5:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof, or (iii) with the Chairman of the Meeting on the day of the Meeting if attending the Meeting in person or any adjournment(s) or postponement(s) thereof; (b) transmitting, by telephone or electronic means, a revocation that complies with paragraphs (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such Shareholder or by or on behalf of his or her attorney, as the case may be; or (c) in any other manner permitted by law including attending the Meeting in person or attending the virtual Meeting (other than as a guest).

A Non-Registered Shareholder who has submitted a proxy or VIF may revoke a VIF or proxy that has been given to an Intermediary or to the service company that the Intermediary uses by following the instructions of the Intermediary respecting the revocation of proxies, provided that an Intermediary is not required to act on a revocation of a proxy or VIF which is not received by the Intermediary at least seven days prior to the Meeting.

Voting and Discretion of Proxies

The Common Shares represented by an appropriate form of proxy will be voted or withheld from voting on any ballot that may be conducted at the Meeting, or at any adjournment or postponement thereof, in accordance with the instructions of the Shareholder thereon. **In the absence of instructions, such Common Shares will be voted in favour of each of the matters referred to in the Notice of Meeting as specified thereon.**

The enclosed form of proxy, when properly completed and signed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters identified in the accompanying Notice of Meeting and on other matters, if any, which may properly come before the Meeting or any adjournment or postponement thereof.

NOTICE AND ACCESS

The Company is not sending the Meeting Materials to registered Shareholders or Non-Registered Shareholders using notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102, *Continuous Disclosure Obligations* (“**NI 51-102**”).

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set forth in this Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Common Shares and Restricted Voting Shares without par value. As of the record date, determined by the Board of Directors of the Company (the “**Board**”) to be the close of business on June 8, 2021 (the “**Record Date**”), a total of 196,388,204 Common Shares and nil Restricted Voting Shares were issued and outstanding. Each Common Share entitles the Shareholder of record to one vote at the Meeting. A Restricted Voting Share entitles the Shareholder of record to one vote at the Meeting, other than with respect to the election or removal of directors of the Company.

Only registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment(s) or postponement(s) of the Meeting.

To the knowledge of the Company’s directors and executive officers, as at the Record Date, (i) Robert Groesbeck, directly or indirectly, holds 38,550,165 Common Shares, representing 19.63% of the issued and outstanding Common Shares of the Company; and (ii) Larry Scheffler, directly or indirectly, holds 39,201,437 Common Shares, representing 19.96% of the issued and outstanding Common Shares of the Company. No other person beneficially owns, directly or indirectly, or controls or directs Common Shares or Restricted Voting Shares carrying 10% or more of the voting rights attached to each class of Shares.

RECOMMENDATION OF THE BOARD

The Board unanimously recommends that each holder of Common Shares vote IN FAVOUR of all resolutions described in this Circular.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

TO THE KNOWLEDGE OF THE COMPANY’S DIRECTORS, THE ONLY MATTERS TO BE PLACED BEFORE THE MEETING ARE THOSE REFERRED TO IN THE NOTICE OF MEETING ACCOMPANYING THIS CIRCULAR. HOWEVER, SHOULD ANY OTHER MATTERS PROPERLY COME BEFORE THE MEETING, THE COMMON SHARES REPRESENTED BY THE PROXY SOLICITED HEREBY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE SHARES REPRESENTED BY THE PROXY.

1. Financial Statements

The Board has approved the audited consolidated financial statements for the fiscal year ended December 31, 2020, together with the auditor’s report thereon. Copies of these financial statements have been sent to those Shareholders who had requested receipt of same and are also available on the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com.

2. Election of Directors

The term of office of each of the present directors, being Robert Groesbeck, Larry Scheffler, Michael Harman and Adrienne O’Neal, will expire at the Meeting.

Pursuant to the Company’s Notice of Articles and articles (collectively, the “**Articles**”), the number of directors of the Company shall be a minimum of three (3). The Board has fixed the number of directors to be elected at the Meeting at four (4).

At the Meeting, the holders of Common Shares will be asked to vote for election of the four (4) persons named in the table below, presented for election at the Meeting as Management’s nominees. Pursuant to the Articles, holders of Restricted Voting Shares, if any, will not be permitted to vote on the election of the proposed nominees as directors of the Company.

Management does not contemplate that any of these nominees will be unable to serve as a director, but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion. Each director elected will hold office until the next annual meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles or the *Business Corporations Act* (British Columbia) (“**BCBCA**”).

The following table sets forth information concerning the four Management nominees, as furnished by the individual nominees, as at the Record Date.

Name, Jurisdiction of Residence and Position with the Company	Principal occupation or employment and, if not a previously elected director, occupation during the past 5 years	Served as a Director Continuously Since	Number of Common Shares Beneficially Owned, Directly or Indirectly or Over Which Control or Discretion is Exercised
Robert Groesbeck <i>Co-Chief Executive Officer and Director</i> Henderson, Nevada	Co-Chief Executive Officer of the Corporation (2018 – Present); Co-President of MMDC (2014 - 2018); and General Counsel, Advisor to C&S Waste Solutions (2013 - Present)	June 2018	38,550,165 Common Shares (19.63%)
Larry Scheffler ⁽¹⁾ <i>Co-Chief Executive Officer and Director</i> Henderson, Nevada	Co-Chief Executive Officer of the Corporation (2018 – Present); Co-President of MMDC (2014 - 2018); and Chairman and Founder of Las Vegas Color Graphics, Inc. (1978 - Present)	June 2018	39,201,437 Common Shares (19.96%)
Michael Harman ⁽¹⁾⁽²⁾⁽³⁾ <i>Director</i> Las Vegas, Nevada	Managing Partner, HRP CPAs and Consultants (2016 – Present) Partner at LLB CPAs (1998-2016)	June 2018	190,432 Common Shares (less than one percent)
Adrienne O’Neal ⁽¹⁾⁽²⁾⁽³⁾ <i>Director</i> <i>Las Vegas, Nevada</i>	Owner, Red Rock Counseling, Licensed Marriage & Family Therapist, NV State Board License #1053 (present), Part-Time Instructor, UNLV School of Medicine (present), Board Member, Nevada Board of Examiners for Marriage & Family Therapist and Clinical Professional Counselors, (2017 – present), State of NV	June 2019	62,305 Common Shares (less than one percent)

Name, Jurisdiction of Residence and Position with the Company	Principal occupation or employment and, if not a previously elected director, occupation during the past 5 years	Served as a Director Continuously Since	Number of Common Shares Beneficially Owned, Directly or Indirectly or Over Which Control or Discretion is Exercised
	Association of Addiction Professionals, Secretary, (2000-2004)		

Notes:

- (1) *Member of the Audit Committee. Mr. Harman is the Chairman.*
- (2) *Member of the Corporate Governance and Nominating Committee. Ms. O'Neal is the Chairman.*
- (3) *Member of the Compensation Committee. Ms. O'Neal is the Chairman.*

Majority Voting Policy

On June 11, 2018, the Board adopted a majority voting policy pursuant to which, each director should be elected by the vote of a majority of the Common Shares represented in person and by proxy at any meeting of the Shareholders involving the election of directors. In respect to uncontested elections, being an election where the number of nominees for director equals the number of directors to be elected, each nominee who receives a greater number of votes “withheld” from his or her election than votes “for” such election (“**Majority Withheld Vote**”) will promptly tender his or her resignation to the Chair following the applicable Shareholders’ meeting. In such an instance, the Corporate Governance and Nominating Committee will consider the offer of resignation and will make a recommendation to the Board on whether to accept it. In considering whether or not to accept the resignation, the Corporate Governance and Nominating Committee will consider the circumstances of such vote, including, without limitation, the effect such resignation may have on the Company’s ability to comply with any applicable corporate or securities laws, including, but not limited to, the Company’s Articles or any applicable governance rules and policies; whether such resignation would result in a violation of a contractual provision by the Company; and any other factors that the Corporate Governance and Nominating Committee considers relevant to determine whether there are exceptional circumstances which require the Board to decide to accept the resignation. The Board will review and make a final decision based on the Corporate Governance and Nominating Committee’s recommendation and announces such decision in a press release within 90 days following the applicable Shareholders’ meeting. The Board will be expected to accept the resignation except in situations where exceptional circumstances would warrant the director to continue to serve on the Board. However, if the Board declines to accept the resignation, it will include in the press release the reasons for its decision. A director who tenders his or her resignation pursuant to this policy will not participate in any meeting of the Board or any sub-committee of the Board, including any such meetings at which the resignation is considered.

Advance Notice Policy

The Company has adopted an advance notice policy, pursuant to which, any additional director nomination for an annual meeting of Shareholders must be received by the Secretary of the Company in proper written form at the principal office of the Company, (i) in the case of an annual meeting of Shareholders, not less than thirty (30) days nor more than sixty-five (65) days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of Shareholders is to be held on a date that is less than fifty (50) days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the nominating Shareholder may be given not later than the close of business on the tenth (10th) day following the Notice Date; and (ii) in the case of a special meeting of the Shareholders (which is not also an annual meeting), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of Shareholders was made.

Corporate Cease Trade Orders

To the knowledge of the Company, no proposed director of the Company is, as at the date of the Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,

- (a) was subject to an order that was issued while the proposed director 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 proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcy and Insolvency

To the knowledge of the Company, no proposed director of the Company:

- (a) is, as at the date of the information circular, or has been within 10 years before the date of the information circular, 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; or
- (b) has, within the 10 years before the date of the information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

To the knowledge of the Company, no proposed director of the Company has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Holders of Common Shares can vote for all of the proposed nominees for directors of the Company, vote for some of the proposed nominees and withhold for others, or withhold from voting for all or any of the proposed nominees. **Unless a Shareholder directs that his, her or its Common Shares be otherwise voted or withheld from voting in connection with the election of directors, the management designees named in the enclosed form of proxy intend to vote such proxies IN FAVOUR of the election of the four nominees whose names are set forth above.**

3. Re-Appointment and Remuneration of Auditor

At the Meeting, Shareholders will be asked to re-appoint Davidson & Company LLP as the auditor of the Company until the next annual meeting of Shareholders, based on the recommendation of the Audit Committee and the Board, and to authorize the directors to fix the remuneration of the auditor. Davidson & Company LLP was appointed auditor of the Company effective as at September 24, 2019 in respect of the financial year ended December 31, 2019.

Unless a Shareholder directs that his, her or its Shares be withheld from voting in connection with the re-appointment of Davidson & Company LLP, the management designees named in the enclosed form of proxy intend to vote such proxies IN FAVOUR of the re-appointment of Davidson & Company LLP as the auditor of the Company and to authorize the directors to fix the remuneration of the auditor.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Canadian Securities Administrators (the “CSA”) have adopted National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”), which provides non-prescriptive guidelines on corporate governance practices for reporting issuers. Additionally, the CSA has implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”), which requires issuers to disclose the corporate governance practices that they have adopted according to the guidelines provided pursuant to NP 58-201, which apply to all public companies.

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders and has reviewed the Company’s corporate governance practices in light of these guidelines. A description of the Company’s corporate governance practices is set out below.

Board of Directors

The Board is currently comprised of four directors and it is proposed that four directors will be nominated at the Meeting.

NI 58-201 recommends that the board of directors of every listed company should consist of a majority of individuals who qualify as “independent” directors under National Instrument 52-110 – *Audit Committees* (“NI 52-110”), which provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a relationship which could, in the view of the company’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

Currently, the Board consists of Robert Groesbeck, Larry Scheffler, Michael Harman and Adrienne O’Neal, of whom, Robert Groesbeck and Larry Scheffler are considered “not independent”, as they are executive officers of the Company. Each of the remaining two directors is considered by the Board to be “independent”, within the meaning of NI 52-110. In making the foregoing determinations, the circumstances of each director have been examined by the Board in relation to a number of factors.

The Board facilitates its exercise of independent supervision over management through the independent directors on the Board. The independent directors may hold meetings at which non-independent directors and members of management are not in attendance in conjunction with meetings of the Board.

Directorships

The current directors are directors of other reporting issuers as follows:

Name of Director	Name of Other Reporting Issuer
Robert Groesbeck	N/A
Larry Scheffler	N/A
Michael Harman	N/A
Adrienne O’Neal	N/A

Orientation and Continuing Education

The Board has established the Corporate Governance and Nominating Committee, presently comprised of Michael Harman and Adrienne O’Neal. Mr. Harman and Ms. O’Neal are independent within the meaning of NI 52-110. The Corporate Governance and Nominating Committee is appointed by and reports to the Board to assist the Company with the recruitment and education of new and current directors.

The Board adopted a charter of the Corporate Governance and Nominating Committee, a copy of which can be requested by contacting the Company: (i) at its head office at 2548 West Desert Inn Road, Las Vegas, Nevada 89109; (ii) by telephone to (702) 206-1313; or (iii) by email at ir@planet13lasvegas.com.

Pursuant to its charter, the Corporate Governance and Nominating Committee develops and annually reviews orientation and education programs for new directors and provides ongoing education for all directors.

Upon joining the Board, each director is provided with an orientation package regarding the role of the Board, its committees and its directors, and the nature and operation of the Company’s current and past business. They are also provided with a copy of the Audit Committee Charter, Corporate Governance and Nominating Committee Charter, Compensation Committee Charter and the Code (as defined hereinafter).

The Board encourages directors to participate in continuing education opportunities in order to ensure that the directors maintain or enhance their skills and abilities as directors, and maintain a current and thorough understanding of the Company’s business.

Ethical Business Conduct

Corporate governance is the structure and process used to direct and manage the business and affairs of a corporation with the objective of enhancing shareholder value. The Board believes that the Company has in place corporate governance practices that are both effective and appropriate to the Company’s size and business operations. To facilitate meeting this responsibility, the Board seeks to foster and maintain a culture of ethical business conduct and social responsibility as critically important. The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company’s business plan and to meet performance goals and objectives. Management consistently strives to instill the Company’s principles into the practices and actions of Management and the Company’s employees.

The Board adopted a written Code of Business Conduct and Ethics (the “**Code**”) for its directors, officers, employees and consultants. A copy of the Code can be requested by contacting the Company: (i) at its head office at 2548 West Desert Inn Road, Las Vegas, Nevada 89109; (ii) by telephone to (702) 206-1313; or (iii) by email at ir@planet13lasvegas.com.

Nomination of Directors

In addition to assisting the Company with the recruitment and education of new and current directors, the Corporate Governance and Nominating Committee reports to the Board to assist the Company in identifying and recommending individuals qualified to become members of the Board and evaluating the Board and its directors.

Pursuant to its charter, the Corporate Governance and Nominating Committee is responsible for certain recruitment activities including to:

- develop qualification criteria for Board members and determine Board size (considering goals for Board composition and individual qualifications), and evaluate potential candidates in accordance with established criteria and in consultation with the Chair of the Committee and the Co-Chief Executive Officers (“**co-CEOs**”);
- review and respond to director nominations or recommendations submitted in writing by the Company’s shareholders;

- annually (and more frequently, if appropriate) recommend to the Board candidates for presentation to the shareholders at each annual meeting of shareholders and one or more nominees for each vacancy on the Board that occurs between annual meetings of shareholders; and
- encourage diversity in the composition of the Board.

Compensation

The Board has established a Compensation Committee, presently comprised of Michael Harman and Adrienne O’Neal. Mr. Harman and Ms. O’Neal are independent within the meaning of NI 52-110.

The Compensation Committee is appointed by and reports to the Board to assist the Board in discharging its oversight responsibilities relating to the attraction, compensation, evaluation and retention of key senior management employees, and in particular the co-CEOs, with the skills and expertise needed to enable the Company to achieve its goals and strategies at fair and competitive compensation and appropriate performance incentives. See “*Statement of Executive Compensation*” for further details.

The Board adopted a charter of the Compensation Committee, a copy of which can be requested by contacting the Company: (i) at its head office at 2548 West Desert Inn Road, Las Vegas, Nevada 89109; (ii) by telephone to (702) 206-1313; or (iii) by email at ir@planet13lasvegas.com.

The Board is of the view that the members of the Compensation Committee collectively have the knowledge, skills, experience and background to make decisions on the suitability of the Company’s compensation policies and practices. A description of such skills and experience for Mr. Harman and Ms. O’Neal is set out in this Circular under the heading “*Audit Committee- Relevant Education and Experience*”.

Pursuant to its Charter, the Compensation Committee is responsible for certain oversight activities including:

- annually review and approve corporate goals and objectives relevant to the co-CEOs and other senior executive officers’ compensation, evaluate the performance of the co-CEOs and each senior executive officer’s performance in light of those goals and objectives, and recommend to the Board for approval the compensation level for the co-CEOs and each senior executive officer based on this evaluation. In determining such compensation, the Committee will consider the Company’s performance and relative shareholder return and the compensation of co-CEOs and senior executive officers at comparable companies. Additionally, the Committee may consider input from the co-CEOs on senior executive compensation, but the co-CEOs may not provide input with respect to his or her own compensation;
- review and approve the perquisites and supplemental benefits granted to the co-CEOs and senior executive officers;
- annually review the compensation systems that are in place for employees of the Corporation in order to ensure the fairness and appropriateness of the compensation of all employees, including incentive compensation plans and equity-based plans;
- administer and make recommendations to the Board regarding the adoption, amendment or termination of the Company’s incentive compensation plans and equity-based plans (including specific provisions) in which the co-CEOs and senior executive officers may participate;
- ensure that all necessary shareholder and regulatory approvals have been obtained for equity-based compensation plans;
- recommend to the Board compensation and expense reimbursement policies for directors;
- review and approve employment agreements, severance arrangements and change in control agreements and other similar arrangements for the co-CEOs and senior executive officers;

- compare on an annual basis the total remuneration (including benefits) and the main components thereof for the senior executive officers with the remuneration practices in the same industry;
- establish levels of director compensation, including retainers, meeting fees, equity-based plans and other similar components of director compensation for Board approval, based on reviews of director compensation of comparable companies;
- review and recommend to the Board for its approval disclosure regarding executive and director compensation in the management proxy circular and in any offering documents prior to their public release; and
- review and make recommendations to the Board on the number and frequency of Stock Option grants to employees.

Other Board Committees

At this time, the Company has no other committees other than the Audit Committee, the Corporate Governance and Nominating Committee and the Compensation Committee.

Assessments

The Corporate Governance and Nominating Committee assists the Company fulfilling its corporate governance responsibilities under applicable law and is responsible for reviewing and assessing the effectiveness of the Board, evaluating the Board and its directors and making policy recommendations aimed at enhancing Board effectiveness.

Representation of Women on the Board and in Executive Offices

The Company has not adopted a written policy specifically relating to the identification and nomination of women directors nor has the Board set targets regarding women on the Board or in executive officer positions. However, in accordance with the written mandate of the Board and the charter of the Corporate Governance and Nominating Committee, in identifying and selecting director and executive officer nominees, the Company values diversity, and more specifically individuals from diverse backgrounds who reflect the changing population demographics of the markets in which the Company operates and of each gender; and when considering recommendations for nomination to the Board, the Board is required to consider diversity criteria including gender, age, ethnicity and geographic background among the many factors taken into consideration during the search process. The Company also considers, among other things, the qualifications, personal qualities, business background and relevant experience of individual candidates as well as the overall composition of the Board or executive office with a view to identifying and selecting the best and most complementary candidates.

AUDIT COMMITTEE

NI 52-110 requires the Company's Audit Committee to meet certain requirements in respect of responsibilities, composition and authority. NI 52-110 also requires the Company to disclose certain information regarding the Audit Committee as described herein.

Overview

The overall purpose of the Audit Committee of the Company is to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Company. The Audit Committee exists to ensure that management has designed and implemented an effective system of internal financial controls, to review and report on integrity of the consolidated financial statements of the Company and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts.

Audit Committee Charter

The Board has adopted a written charter setting out the mandate and responsibilities of the Audit Committee. The Audit Committee is responsible for assisting the Board of Directors in fulfilling its oversight responsibilities relating to financial accounting and reporting processes and internal controls. The Audit Committee's primary duties and responsibilities are to: (i) conduct reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Audit Committee; (ii) assess the integrity of internal controls and financial reporting procedures of the Company and ensure implementation of such controls and procedures; (iii) ensure appropriate standards of corporate conduct for senior financial personnel and employees and, if necessary, adopt a corporate code of ethics; (iv) review the quarterly and annual financial statements and related management's discussion and analysis ("MD&A") of the Company's consolidated financial position and operating results and in the case of the annual Financial Statements & MD&A report thereon to the Board of Directors for approval of same; (v) select and monitor the independence and performance of the Company's external auditors and approve their remuneration; (vi) provide oversight to related party transactions entered into by the Company; and (vii) provide oversight of all disclosure relating to Financial Statements, MD&A and information derived therefrom. The Audit Committee is responsible for inquiring of management and the external auditors about significant risks or exposures, both internal and external to which the Company may be subject and assessing the steps management has taken to minimize such risks. The Audit Committee is also responsible for establishing and implementing procedures in respect of complaints and submissions relating to accounting matters and the approval of non-audit services by the external auditors.

The charter of the Company's Audit Committee is set forth in Schedule "A" attached hereto.

Composition of the Audit Committee

The Audit Committee has been constituted to oversee the financial reporting processes of the Company and is presently comprised of two independent directors, namely Mr. Harman (Chairman of the Audit Committee) and Ms. O'Neal and one non-independent director, namely Mr. Scheffler. Each member of the Audit Committee is financially literate and possesses extensive financial knowledge, experience and comprehension of financial statements.

Relevant Education and Experience

Each member of the Audit Committee, current and proposed, has experience relevant to his or her responsibilities as an Audit Committee member and is financially literate.

Michael Harman. Mr. Harman, CPA has been in the accounting field for over 20 years and is the Managing Partner and senior audit partner with HRP CPAs, a Certified Public Accounting and Consulting firm based in Las Vegas. His primary focus is business consulting including performing outsourced CFO services and various other engagements such as consulting on M&A, systems implementation and conversions and business turnarounds. In his consulting role, he holds the title of CFO with various companies primarily in Las Vegas. He holds FINRA series 27 and 63 licenses, serves as Financial Operations Principal for a Broker Dealer in Las Vegas, is a member of the American Institute of Certified Public Accountants, the Turnaround Management Association and the Nevada Society of Certified Public Accountants and is a Certified Public Accountant licensed in the State of Nevada.

Adrienne O'Neal. Ms. O'Neal holds a B.S. Marketing and a M.S. Marriage and Family Therapy degree from the University of Nevada. She has been the owner of Las Vegas Counselor LLC since 2004, where she provides marriage and family therapy services. Prior to 2004, Ms. O'Neal was an Account Manager at R&R Partners for a total of 13 years. In addition, Ms. O'Neal has created and managed marketing budgets for companies and agencies including Del Webb, the Southern Nevada Water Authority and the Clark County School District. Ms. O'Neal has successfully passed the Series 7 exam, an exam which measures the degree to which a candidate possesses the knowledge needed to perform the critical functions of a general securities representative, including sales of corporate securities, municipal securities, investment company securities, variable annuities, direct participation programs, options and government securities, administered by the Financial Industry Regulatory Authority. In 2016, Ms. O'Neal was appointed by former State of Nevada Governor Brian Sandoval to the Nevada State Board of Marriage & Family Therapy and Clinical Professional Counselors. Ms. O'Neal is also a part-time instructor at the UNLV School of Medicine's Marriage and Family Therapy Graduate Program.

Larry Scheffler. Mr. Scheffler has been a resident of Nevada for 49 years. He founded Las Vegas Color Graphics, Inc. in 1978 and grew it into the largest privately-owned commercial printing company in Nevada. Las Vegas Color has a staff of more than 200 people. He has also served as a councilman for the city of Henderson, Nevada from 1990 to 1995. Mr. Scheffler has also served as a commissioner on six major commissions in Southern Nevada government. He has an extensive background in real estate. He has founded and is managing director of entities controlling over 1,000 acres in three states that are under some form of development.

Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed financial year did the Board decline to adopt a recommendation of the Audit Committee, or to nominate /compensate an external auditor.

Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), the exemptions in Subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), Subsection 6.1.1(5) (Events Outside Control of Member), Subsection 6.1.1(6) (Death, Incapacity or Resignation) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee charter sets out procedures regarding the provision of non-audit services by the Company’s independent chartered professional accountants. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor’s independence and requires Audit Committee pre-approval of permitted non-audit and non-audit related services.

External Auditor Service Fees (by category)

Davidson & Company LLP was appointed as the Company’s external auditors on September 24, 2019. From June 11, 2018 to such date, the external auditors for the Company were MNP LLP. The aggregate fees billed and estimated to be billed by the external auditors for the last two fiscal years in US Dollars is set out in the table below.

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
December 31, 2020	425,000	75,000	8,600	74,000
December 31, 2019	\$425,000	\$125,509	\$25,000	Nil

Notes:

- (1) “Audit Fees” refers to the aggregate fees billed by the external auditor for audit services.
- (2) “Audit Related Fees” refers to aggregate fees billed for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and not reported under Audit Fees.
- (3) “Tax Fees” includes fees for professional services rendered by the external auditor for tax compliance, tax advice, and tax planning.
- (4) “All Other Fees” includes all fees billed by the external auditors for services not covered in the other three categories, including fees related to prospectus offerings.

Exemption for Venture Issuers

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemptions contained in Section 6.1 of NI 52-110, which exempts the Company from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

STATEMENT OF EXECUTIVE COMPENSATION

The following Statement of Executive Compensation is prepared in accordance with National Instrument Form 51-102F6. The purpose of this Statement of Executive Compensation is to provide disclosure of all compensation earned by directors and certain executive officers in connection with their position as a director or officer of the Company.

Named Executive Officers

For the purpose of this Circular, a Named Executive Officer (“NEO”) of the Company means each of the following individuals:

- a) each co-CEO of the Company;
- b) the CFO of the Company;
- c) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than CAD \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and
- d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

For the financial year ended December 31, 2020, the Company had six NEOs being Robert Groesbeck, Co-Chief Executive Officer, Larry Scheffler, Co-Chief Executive Officer, Dennis Logan, Chief Financial Officer, Chris Wren, Vice-President, Operations, Leighton Koehler, General Counsel, and Stephen Markle, Vice-President, Production

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company’s executive compensation objectives and processes and to discuss compensation decisions relating to its NEOs listed in the Summary Compensation table below.

The Board as a whole determines the level of compensation in respect of the Company’s senior executives. The Compensation Committee is appointed by and reports to the Board. The Compensation Committee, on behalf of the Board, establishes policies with respect to the compensation of the Company’s co-CEOs, CFO and other senior executive officers. The Compensation Committee assists the Board in discharging the Board’s oversight responsibilities relating to the attraction, compensation, evaluation and retention of key senior management employees, and in particular the co-CEOs, with the skills and expertise needed to enable the Company to achieve its goals and strategies at fair and competitive compensation and appropriate performance incentives.

The Compensation Committee is responsible to review and approve corporate goals and objectives relevant to the co-CEOs and other senior executive officers’ compensation, evaluate the performance of the co-CEOs and each senior executive officer’s performance in light of those goals and objectives, and recommend to the Board for approval the compensation level each senior executive officer based on this evaluation. The Compensation Committee is also responsible for the review of the Company’s compensation systems in order to ensure the fairness and appropriateness of the compensation of senior executive officers that may participate, including incentive compensation plans and equity-based plans.

See “*Statement of Corporate Governance Practices*” for further details with respect the composition, policy and practices of the Compensation Committee.

Objectives of the Compensation Program

The primary objective of the Company’s executive compensation program is to attract, motivate and retain top quality individuals at the executive level who possess the experience and skills needed to improve the overall performance of

the organization, by providing a reasonable and competitive compensation package that is consistent with market-based practices. The program is designed to ensure that the compensation provided to the Company's senior executive officers is determined with regard to the Company's corporate goals and objectives, such that the financial interests of the senior executive officers are consistent with the financial interests of the Shareholders.

The following principles guide the Company's executive compensation program:

- compensation levels and opportunities must be market-competitive to attract and retain qualified and experienced executives, while being fair and reasonable to Shareholders;
- compensation must incorporate an appropriate balance of short- and long-term rewards; and
- compensation programs must align executives' long-term financial interests with those of Shareholders by providing equity-based incentives.

The ability to attract, hire, and retain effective, experienced leadership in a highly-competitive growth industry ensures the foundational stability of the Company while driving business expansion toward new opportunities. This supports long-term interests of the Company and drives value for Shareholders.

Design of the Compensation Program

The Company's executive compensation program is based on a pay-for-performance philosophy to achieve the following overall goals:

- encourage the attraction, motivation, and retention of key employees needed to drive the business strategy; and
- reward these key employees for financial and operating performance, and leadership excellence.

The total executive compensation package includes elements designed to compensate executives fairly for their employment while encouraging personal initiative and targeting corporate-wide performance levels to achieve the Company's strategic and business objectives over the short and long term.

Industry-Competitive Compensation Model

Each year, the Compensation Committee evaluates the competitiveness of the Company's compensation program. The Compensation Committee reviews the executive compensation levels of the Company's peers to assess the competitive levels for each of the elements of NEO compensation (base salary, annual incentive and long-term incentives). This assessment ensures the NEOs of the Company are fairly paid a commensurate or industry-competitive salary that aligns with earnings of other executive officers holding comparable positions with similar publicly traded entities.

In setting salaries within competitive ranges, the Compensation Committee considers performance related factors including the Company's overall results during the past year and its performance relative to a budgeted plan or stated objectives. Consideration also is given to an individual's contribution to the Company and the accomplishments of departments for which that individual has management responsibility, and the potential for future contributions by such individual to the Company.

In consideration of the Company's executive compensation program in fiscal 2020, the peer group assessment included the following publicly traded Canadian companies of similar size (market capitalization, enterprise value and assets and revenue), complexity and/or that operate within the same, or similar, industry with a primary focus on the US market.

- Aurora Cannabis Inc.
- Cal-Maine Foods Inc.
- Columbia Care Inc.

- Cresco Labs Inc.
- Harvest Health & Recreation Inc.
- Jushi Holdings Inc.
- Knight Therapeutics Inc.
- MGP Ingredients Inc.
- SunOpta Inc.
- Tilray, Inc.
- Turning Point Brands, Inc.
- .

The peer group outlined above was used by the Compensation Committee in setting executive and director compensation levels for fiscal 2020 and in shaping the Company's future compensation strategy. Given the rapid changes in the Company's growth trajectory, the peer group is in part based on future growth expectations of the Company.

The Compensation Committee will continue to assess the appropriateness of the Company's compensation peers as the Company and sector continue to grow, evolve and mature.

Elements of Compensation

In determining such compensation, the Committee will consider the Company's performance and relative Shareholder return and the compensation of co-CEOs and other senior executive officers at comparable companies. Additionally, the Committee may consider input from the co-CEOs on senior executive compensation, but the co-CEOs may not provide input with respect to his or her own compensation;

A combination of fixed and variable compensation is used to motivate executives to achieve overall company goals. The basic components of the executive compensation program are:

- Base salary: designed to provide income certainty and to attract and retain executives – to set base compensation levels, the Compensation Committee will give consideration to objective factors such as level of responsibility, experience and expertise and subjective factors such as leadership, commitment and attitude;
- Annual bonus: intended to reward each executive for his or her yearly individual contribution and performance of personal objectives in the context of the overall annual performance of the Company. The bonus is designed to motivate executives annually to achieve their predetermined objectives;
- Stock Options (as defined hereinafter): Granted from time to time as a form of long-term incentive compensation, to align executives' interests with those of the Company and its Shareholders and to attract and retain executives. Participants benefit only if the market value of the Company's Common Shares at the time of the Stock Option exercise is greater than the exercise price of the Stock Options at the time of grant;
- Share Units (as defined hereinafter): Granted from time to time at the discretion of the Board as a bonus to executives to align executives' interests with those of the Company and its Shareholders and to attract and retain executives. Share Units are notional shares that have the same value as Common Shares and earn dividend equivalents as additional units, at the same rate as dividends paid on Common Shares. No dividend equivalents will vest unless the associated Share Units also vest.

It is expected that Stock Options and Share Units held by management will be taken into consideration by the Compensation Committee at the time of any subsequent grants under the compensation plan in determining the quantum or terms of any such subsequent award grants. The Compensation Committee will further consider the base salary, bonuses and competitive market factors. The size of a grant of an award is anticipated to be proportionate to the deemed ability of the individual to make an impact on the Company's success, as determined by the Board.

The Company does not have a defined benefits plan, defined contribution plan, deferred compensation or pension or retirement plan applicable to its NEOs and no plans are currently in place in respect of change of control or termination.

The Company has implemented a health benefits plan for its employees.

Company and CEO Objectives

The Company's corporate objectives and CEO objectives for fiscal 2020 consisted of: (i) managing and navigating through Nevada COVID-19 related operating constraints, (ii) launching an expanded line-up of in-house brands (Leaf& Vine, Dreamland Chocolates, HaHa Gummies and HaHa beverages); (iii) grow the Company's share of the State of Nevada cannabis market and capture additional local Nevada and tourist customers; and, (iv) continue with the Company's growth and expansion plans adding additional Planet 13 branded locations.

Risk of Compensation Practices and Disclosure

There were no identified risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company. Although the Company does not have formal policies specifically targeting risk-taking in a compensation context, the practice of Compensation Committee and the Board is to consider all factors relating to an executive officer's performance, including any risk mitigation efforts or excessive risk-taking, in determining compensation.

The Company also maintains an insurance policy for its directors and officers against liability incurred by them while performing their duties, subject to certain limitations.

Financial Instruments and Hedging

As of the date hereof, the Company does not have a formal policy that restricts the purchase by its NEOs, directors or other employees of financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO, director or employee. To the knowledge of the Company, none of the NEOs or directors have purchased any such financial instruments. The Company will continue to review whether a formal policy in this regard is necessary or advisable as the Company continues to execute its business plan and gain further market visibility.

Summary Compensation Table

The following table is a summary of annual compensation paid to the NEOs for the Company's three most recently completed financial years. All amounts are expressed in US Dollars:

Name and Principal Position	Year	Salary (\$)	Share-base awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Larry Scheffler Co-Chief Executive Officer ⁽¹⁾	2020	288,000	472,951	Nil	28,800	N/A	N/A	16,985	806,736
	2019	280,062	856,001	Nil	21,600	N/A	N/A	Nil	1,157,663
	2018	452,632	448,960	Nil	18,000	N/A	N/A	Nil	919,592
Robert Groesbeck	2020	288,000	472,951	Nil	28,800	N/A	N/A	17,106	806,857
	2019	276,769	856,001	Nil	21,600	N/A	N/A	Nil	1,154,370
	2018	311,255	448,960	Nil	18,000	N/A	N/A	Nil	778,185

Name and Principal Position	Year	Salary (\$)	Share-base awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
<i>Co-Chief Executive Officer⁽¹⁾</i>									
Dennis Logan ⁽²⁾ <i>Chief Financial Officer</i>	2020	200,000	175,464	Nil	20,000	N/A	N/A	12,523	407,987
	2019	213,045	317,576	Nil	15,000	N/A	N/A	Nil	545,621
	2018	60,709	166,564	Nil	10,125	N/A	N/A	Nil	237,398
Chris Wren ⁽³⁾ <i>Vice-President, Operations</i>	2020	240,000	263,197	Nil	24,000	N/A	N/A	35,492	562,689
	2019	253,597	476,364	Nil	18,000	N/A	N/A	Nil	747,961
	2018	226,731	249,846	Nil	15,000	N/A	N/A	Nil	491,577
Leighton Koehler ⁽⁴⁾ <i>General Counsel</i>	2020	154,000	94,951	Nil	15,400	N/A	N/A	35,492	299,483
	2019	181,097	171,201	Nil	11,550	N/A	N/A	Nil	363,848
	2018	107,077	89,792	Nil	10,500	N/A	N/A	Nil	207,369
Stephen Markle ⁽⁵⁾ <i>Vice President, Production</i>	2020	118,923	105,279	Nil	15,400	N/A	N/A	35,492	275,094
	2019	106,539	190,546	Nil	11,550	N/A	N/A	Nil	285,796
	2018	81,272	99,938	Nil	10,125	N/A	N/A	Nil	191,336

Notes:

- (1) Appointed Co-Chief Executive Officer effective June 11, 2018, concurrent with the Business Combination. Prior to such date, this individual held the equivalent position with MMDC.
- (2) Appointed Chief Financial Officer effective June 11, 2018, concurrent with the Business Combination.
- (3) Appointed Vice-President, Operations effective June 11, 2018, concurrent with the Business Combination. Prior to such date, this individual held the equivalent position with MMDC.
- (4) Appointed General Counsel effective June 11, 2018, concurrent with the Business Combination
- (5) Appointed Vice President, Production effective June 11, 2018, concurrent with the Business Combination.

Narrative Discussion

For a summary of the significant terms of each NEO's employment agreement or arrangement, please see below under the heading "Employment Agreements and Termination and Change of Control Benefits".

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table discloses the particulars of all awards for each NEO outstanding at the financial year ended December 31, 2020 including awards granted to the NEOs in prior years. All amounts are expressed in US Dollars:

Name	Option-Based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽¹⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Robert Groesbeck	Nil	Nil	Nil	Nil	411,012	2,288,780	Nil
Larry Scheffler	Nil	Nil	Nil	Nil	411,012	2,288,780	Nil
Dennis Logan	Nil	Nil	Nil	Nil	152,485	849,135	Nil
Chris Wren	Nil	Nil	Nil	Nil	228,728	1,273,7055	Nil
Leighton Koehler	Nil	Nil	Nil	Nil	82,203	457,759	Nil
Stephen Markle	Nil	Nil	Nil	Nil	91,491	509,481	Nil

Notes:

(1) Based on the closing share price of the Common Shares as traded on the Canadian Securities Exchange (“CSE”) on December 31, 2020 of CAD\$7.09 at an exchange rate of USD\$1.00 = CAD\$1.2732.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the financial year ended December 31, 2020. All amounts are expressed in US Dollars:

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Robert Groesbeck	Nil	867,955	28,800
Larry Scheffler	Nil	867,995	28,800
Dennis Logan	Nil	322,010	20,000
Chris Wren	Nil	483,017	24,000
Leighton Koehler	Nil	173,590	15,400
Stephen Markle	Nil	193,207	15,400

Notes:

- (1) The value vested during the year is calculated as the value that would have been realized if the vested Stock Options had been exercised on the vesting date by determining the difference between the closing price of the Common Shares on the CSE on the vesting date and the exercise price of the Options, converted to US dollars at the prevailing Bank of Canada exchange rate on the vesting date.
- (2) The value vested during the year is calculated as the number of vested Share Units multiplied by the closing price per Common Share on the CSE on the vesting date, converted to US dollars at the prevailing Bank of Canada exchange rate on the vesting date.

Summary of the Stock Option Plan

On May 22, 2018, the Company adopted and received shareholder approval of an incentive stock option plan (the “**Stock Option Plan**”), pursuant to which the Board may from time to time, in its discretion, grant to directors, officers, employees and or eligible contractors of the Company (collectively, the “**Eligible Persons**”), options to purchase Common Shares (“**Stock Options**”). The purpose of the Stock Option Plan is to advance the interests of the Company by granting Stock Options to Eligible Persons as an incentive to: (i) dedicate their efforts to advance the success of the Company; (ii) encourage them to remain with Company or its affiliates; and (iii) attract new directors, employees, officers and service providers.

The Stock Option Plan provides for a floating maximum limit of Stock Options to purchase ten percent (10%) of the outstanding Common Shares, as permitted by the policies of the CSE in combination with National Instrument 45-106 *Prospectus Exemptions*, provided that the number of Common Shares reserved for issuance under the Stock Option Plan, in combination with the aggregate number of Common Shares issuable under all of the Company’s other equity incentive plans (including the Amended and Restated Share Unit Plan (as defined hereinafter)), shall not exceed ten percent (10%) of the issued and outstanding Common Shares from time to time, calculated on a non-diluted basis. The maximum number of Common Shares which may be reserved for issuance pursuant to Stock Options to any one person under the Stock Option Plan is five percent (5%) of the Common Shares issued and outstanding at the time of the grant, calculated on a non-diluted basis, less the aggregate number of Common Shares reserved for issuance to such person under any other security-based compensation arrangement of the Company (including the Amended and Restated Share Unit Plan). The Stock Option Plan complies with Section 2.25 of National Instrument 45-106 - *Prospectus Exemptions*. As at the date hereof, 14,459,875 Stock Options and Share Units, in the aggregate, remain issuable under the Stock Option Plan and the Amended and Restated Share Unit Plan, as applicable. To date, Stock Options to purchase a total of 1,067,500 Common Shares have been issued to employees and eligible contractors of the Company and 184,168 Stock Options remain issued and outstanding.

The maximum number of Common Shares issuable pursuant to the Stock Option Plan and any other security-based compensation arrangements of the Company (including the Amended and Restated Share Unit Plan) to insiders (as a group) shall not exceed ten percent (10%) of the outstanding Common Shares (on a non-diluted basis) at the time of the grant. The maximum number of Common Shares which may be issued pursuant to the Stock Option Plan and any other security-based compensation arrangements of the Company (including the Amended and Restated Share Unit Plan) to insiders (as a group) within a 12 month period shall not exceed ten percent (10%) of the outstanding Common Shares (on a non-diluted basis) at the time of issuance.

The Board determines the exercise price of a Stock Option at the time the Stock Option is granted. Subject to a certain specific exception, the exercise price of Stock Options may not be less than the Market Price (as defined in the Stock Option Plan) on the date of grant, being the greater of the closing Market Price of the Common Shares on the CSE on: (a) the trading day prior to the date of grant of the Stock Options; and (b) the date of grant of the Stock Options. In the event that the Common Shares are not then listed and posted for trading on the CSE or such other stock exchange or quotation system on which the Common Shares are listed or quoted from time to time, the Market Price shall be the fair market value of such Common Shares as determined by the Board in its sole discretion.

The Board establishes vesting and other terms and conditions for a Stock Option at the time each Stock Option is granted. Subject to specific exceptions and restrictions outlined in the Stock Option Plan, Stock Options are not assignable and will terminate as follows:

- (1) if a participant ceases to be an Eligible Person for any reason other than death or termination for cause, their Stock Options will be cancelled:

- (a) 90 days after the participant ceases to be an Eligible Person or otherwise in accordance with the terms of the participant's employment agreement;
 - (b) such longer period as may be determined by the Board, but not exceeding the original expiry date of the Stock Option; or
 - (c) immediately if the Stock Options are unvested at the date the participant ceases to be an Eligible Person unless the Board determines otherwise;
- (2) if a participant ceases to be an Eligible Person because their relationship with the Company or an affiliate is terminated for cause by the Company or an affiliate, their Stock Options will be cancelled immediately after the participant ceases to be an Eligible Person; or
- (3) if a participant ceases to be an Eligible Person as a result of their death, all Stock Options unvested at the date of the participant's death will vest immediately and their Stock Options will be cancelled:
- (a) 180 days after their death; or
 - (b) such longer period as may be determined by the Board, but not exceeding the original expiry date of the Stock Option to a maximum of 12 months.

Stock Options are non-assignable and non-transferable by a participant otherwise than by will or the laws of descent and distribution and are exercisable only by the participant during the lifetime of the participant and only by the participant's legal representative after death of the participant (in accordance with the Stock Option Plan). However, Stock Options granted to a participant may be assigned to a Permitted Assign (as such term is defined in the Stock Option Plan) of such participant, following which such Stock Options will be non-assignable and non-transferable by such permitted assign, except to another Permitted Assign, otherwise than by will or the laws of descent and distribution, and will be exercisable only by such permitted assign during the lifetime of such permitted assign and only by such permitted assign's legal representative after death of such permitted assign.

Subject to any applicable regulatory or stock exchange requirements or restrictions in the Stock Option Plan, the Board may at any time and without Shareholder approval, terminate the Stock Option Plan or amend the provisions of the Stock Option Plan or any Stock Options granted under it, including without limitation amendments:

- (1) related to the exercise of Stock Options, including the inclusion of a cashless exercise feature where payment is in cash or Common Shares or otherwise;
- (2) deemed by the Board to be necessary or advisable because of any change in applicable securities laws or other laws;
- (3) to the definitions of terms in the Stock Option Plan;
- (4) to the change of control provisions;
- (5) relating to the administration of the Stock Option Plan;
- (6) to the vesting provisions of any outstanding Stock Option;
- (7) to postpone or adjust any exercise of a Stock Option or the issuance of any Common Shares pursuant to the Stock Option Plan in order to permit the Company to effect or maintain registration of the Stock Option Plan or the common shares issuable pursuant to the Stock Option Plan under the securities laws of any applicable jurisdiction, or to determine that the Common Shares and the Stock Option Plan are exempt from such registration; or
- (8) fundamental or otherwise, not requiring Shareholder approval under applicable law or the rules of an exchange on which the Common Shares are listed, including amendments of a "clerical" or "housekeeping" nature and amendments to ensure that the Stock Options granted under the Stock Option Plan will comply with any

provisions respecting income tax and other laws in force in any country or jurisdiction of which an Eligible Person may from time to time be resident or a citizen.

The Board may not make any of the following amendments to the Stock Option Plan without first having obtained the approval of a majority of Shareholders voting at a Shareholders meeting:

- (1) an increase in the maximum number of Common Shares which may be issued under the Stock Option Plan;
- (2) an increase in the ability of the Board to amend the Stock Option Plan without Shareholder approval;
- (3) amendments to the definitions of “Eligible Person” and “Permitted Assigns”;
- (4) amendments to the exercise price of any Stock Option issued under the Stock Option Plan where such amendment reduces the exercise price of such Stock Option;
- (5) amendments to the term of any Stock Option issued under the Stock Option Plan; or
- (6) amendments to the transfer provisions of the Stock Option Plan.

In addition, the Board may not amend the Stock Option Plan to increase insider participation limits without first having obtained the approval of a majority of Shareholders excluding shares voted by insiders who are Eligible Persons.

There was no re-pricing of Stock Options under the Stock Option Plan during the Company’s most recently completed financial year ended December 31, 2020. A copy of the Stock Option Plan is available under the Company’s SEDAR profile at www.sedar.com.

Summary of the Amended and Restated Share Unit Plan

On May 22, 2018, the Company adopted and received shareholder approval of a share unit plan, which was subsequently amended on July 11, 2018 (the “**Amended and Restated Share Unit Plan**”) by an ordinary majority shareholder resolution, such amendment permitting all directors of the Company to be eligible to participate in and receive share unit awards under the Amended and Restated Share Unit Plan.

The Amended and Restated Share Unit Plan provides that the Board may from time to time, in its discretion, grant share units (“**Share Units**”) to directors, employees, officers or eligible contractors of the Company or its affiliates. The purpose of the Amended and Restated Share Unit Plan is to provide for the award of Share Units and the settlement of such Share Units through the issuance of Common Shares from treasury in order to advance the interests of the Company, its affiliates and the Shareholders through the motivation, attraction and retention of employees, officers and eligible contractors and the alignment of their interests with the interests of the Shareholders.

The maximum number of Common Shares made available for issuance under the Amended and Restated Share Unit Plan is determined by the Board, however in combination with the aggregate number of Common Shares issuable under the Company’s other share compensation arrangements (including the Stock Option Plan) shall not exceed ten percent (10%) of the Common Shares issued and outstanding from time to time. The maximum number of Common Shares which may be reserved for issuance pursuant to Share Units to any one person under the Amended and Restated Share Unit Plan is five percent (5%) of the Common Shares issued and outstanding (on a non-diluted basis) at the time of the grant less the aggregate number of Common Shares reserved for issuance to such person under any other security-based compensation arrangement of the Company (including the Stock Option Plan). As at the date hereof, 14,459,875 Share Units and Stock Options, in the aggregate, remain issuable under the Amended and Restated Share Unit Plan and the Stock Option Plan, as applicable To date, 12,719,789 Share Units have been issued to directors, officers, employees and eligible contractors of the Company and 4,994,567 Share Units remain issued and outstanding.

The Amended and Restated Share Unit Plan is a “rolling plan” and therefore when Share Units are settled, cancelled or terminated, Common Shares are automatically available for the award of new Share Units under the Amended and Restated Share Unit Plan. Pursuant to the terms of the Amended and Restated Share Unit Plan, the Board has the authority to determine the terms, limitations, restrictions and conditions applicable to the grant or vesting of a Share

Unit. Furthermore, the Amended and Restated Share Unit Plan provides that the Board determines when any Share Unit will vest pursuant to the provisions of the Amended and Restated Share Unit Plan and rules of the CSE. Each participant has the right to redeem a vested Share Unit at any time prior to the settlement date of such Share Unit, by providing a notice of redemption to the Company. A vested Share Unit will entitle a participant, subject to the satisfaction of any conditions, to receive one Common Share.

Unless the Board determines otherwise, a participant's settlement date shall be accelerated as follows:

- (1) in the event of the death of the participant, the participant's settlement date shall be the date of death; and
- (2) in the event of the total disability of the participant, the participant's settlement date shall be the date which is 60 days following the date on which the participant becomes totally disabled.

In the event of the termination with or without cause (or retirement) of a participant, all unvested Share Units credited to the participant shall become void and the participant shall have no entitlement and will forfeit any rights to receive Common Shares under the Amended and Restated Share Unit Plan, except as may otherwise be determined by the Board in its sole and absolute discretion.

If any of the events set out below (a, "**Triggering Event**") occurs in connection with or within the 12-month period immediately following a change of control of the Company pursuant to the provisions of the Amended and Restated Share Unit Plan, all outstanding Share Units shall vest (notwithstanding any contrary vesting provisions previously in place) and the settlement date shall occur, on the date of such Triggering Event:

- (1) in the case of a director, the termination of board membership of the director by the Company or any affiliate of the Company, the failure to re-elect or re-appoint the individual as a director of the Company or any affiliate of the Company;
- (2) in the case of an employee, the termination of the employment of the employee, without cause, as the context requires by the Company or an Affiliate or in the case of an officer, the removal of or failure to re-elect or re-appoint the individual as an officer of the Company or any affiliate of the Company;
- (3) in the case of an employee or an officer, a material adverse change imposed by the Company or any affiliate of the Company (as the case may be) in duties, powers, rights, discretion, prestige, salary, benefits, perquisites, as they exist, and with respect to financial entitlements, the conditions under and manner in which they were payable, immediately prior to the change of control, or a material diminution of title imposed by the Company or any affiliate of the Company (as the case may be), as it exists immediately prior to the change of control; and
- (4) in the case of an eligible contractor, the termination of the services of the eligible contractor by the Company or any affiliate of the Company.

If a resolution is adopted to wind-up, dissolve or liquidate the Company, all Share Units outstanding shall immediately vest and the settlement date shall occur.

Share Units are non-assignable and non-transferable by a participant otherwise than by will or the laws of descent and distribution and no Share Unit and no other right or interest of a participant under the Amended and Restated Share Unit Plan is assignable or transferable.

The Board may, in its sole discretion, elect to credit each participant with additional Share Units as a bonus in the event any dividend (other than a stock dividend) is paid on the Common Shares (the "**Bonus Units**"). In such cases, the number of Bonus Units to be issued to each participant will be equal to the aggregate amount of dividends that would have been paid to the participant if the Share Units (vested and unvested) held by the participant had been Common Shares divided by the Market Price (as defined in the Amended and Restated Share Unit Plan) of a Common Share on the date on which dividends were paid by the Company. Any Bonus Units so granted would vest and be subject to the same terms in proportion to the initial Share Units.

Subject to any applicable regulatory or stock exchange requirements or restrictions in the Amended and Restated Share

Unit Plan, the Board may at any time and without Shareholder approval, amend the provisions of the Amended and Restated Share Unit Plan including without limitation:

- (1) amendments of a house keeping nature; and
- (2) changes to the settlement date of any Share Units.

The Board may not make any of the following amendments to the Amended and Restated Share Unit Plan without first having obtained the approval of a majority of Shareholders voting at a Shareholders meeting:

- (1) materially increase the benefits to the holder of the Share Units who is an insider to the material detriment of the Company and its Shareholders;
- (2) increase the number of Common Shares or maximum percentage of Common Shares which may be issued pursuant to the Amended and Restated Share Unit Plan other than in the event of a change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision or reclassification;
- (3) reduce the range of amendments requiring Shareholder approval;
- (4) permit Share Units to be transferred other than for normal estate settlement purposes;
- (5) change insider participation limits which would result in Shareholder approval being required on a disinterested basis; or
- (6) materially modify the eligibility requirements for participation in the Amended and Restated Share Unit Plan, shall only be effective on such amendment, modification or change being approved by the Shareholders.

There was no re-pricing of Share Units under the Amended and Restated Share Unit Plan during the Company's most recently completed financial year ended December 31, 2020. A copy of the Amended and Restated Share Unit Plan is available under the Company's SEDAR profile at www.sedar.com.

Pension Plan Benefits

The Company has no pension plans that provide for payments or benefits to any NEO at, following or in connection with retirement. Additionally, the Company does not have any deferred compensation plans or contribution plans relating to any NEO.

Employment Agreements and Termination and Change of Control Benefits

Summary of Employment Agreements

Larry Scheffler

In June 2018, the Company entered into an employment agreement with Larry Scheffler, the co-Chief Executive Officer of the Company, for an initial term of five years. The agreement provides for payment of an annual base salary to Mr. Scheffler, which for the current fiscal year ending December 31, 2021 is USD\$500,000 (subject to any further increases as may be approved by the Compensation Committee). Mr. Scheffler is also entitled to receive other benefits and perquisites, including participation in the Company's benefit plans, an annual bonus, performance bonuses and participation in the Stock Option Plan and other equity plans in effect from time to time. If the agreement is terminated by the Company with "cause" or by Mr. Scheffler without "good reason" (as such terms are defined in the agreement), the Company will pay Mr. Scheffler any accrued but unpaid base salary, accrued but unused vacation and any earned but unpaid annual bonus with respect to any completed calendar year immediately preceding the date the agreement is terminated, except in the event Mr. Scheffler's employment is terminated by the Company for cause in which case any such accrued but unpaid annual bonus shall be forfeited. If the agreement is terminated by the Company without cause or by Mr. Scheffler for good reason, including upon the change of control of the Company, the Company will, for the duration of the remaining term of the agreement, continue to pay Mr. Scheffler his base salary and continue to

provide him with health care benefits at a substantially similar level to the benefits provided to him while he was employed by the Company. In addition, Mr. Scheffler shall be paid any earned but unpaid annual bonus with respect to any completed calendar year immediately preceding the date the agreement is terminated and all outstanding equity incentive awards granted to him would fully vest on the date of such termination of employment. The employment agreement also provides for, among other things, confidentiality, non-solicitation and non-competition covenants in favour of the Company. The non-solicitation and non-competition covenants apply during the term of employment and for 12 months following resignation or the termination of Mr. Scheffler's employment.

Robert Groesbeck

In June 2018, the Company entered into an employment agreement with Robert Groesbeck, the co-Chief Executive Officer of the Company, for an initial term of five years. The agreement provides for payment of an annual base salary to Mr. Groesbeck, which for the current fiscal year ending December 31, 2021 is USD\$500,000 (subject to any further increases as may be approved by the Compensation Committee). Mr. Groesbeck is also entitled to receive other benefits and perquisites, including participation in the Company's benefit plans, an annual bonus, performance bonuses and participation in the Stock Option Plan and other equity plans in effect from time to time. If the agreement is terminated by the Company with "cause" or by Mr. Groesbeck without "good reason" (as such terms are defined in the agreement), the Company will pay Mr. Groesbeck any accrued but unpaid base salary, accrued but unused vacation and any earned but unpaid annual bonus with respect to any completed calendar year immediately preceding the date the agreement is terminated, except in the event Mr. Groesbeck's employment is terminated by the Company for cause in which case any such accrued but unpaid annual bonus shall be forfeited. If the agreement is terminated by the Company without cause or by Mr. Groesbeck for good reason, including upon the change of control of the Company, the Company will, for the duration of the remaining term of the agreement, continue to pay Mr. Groesbeck his base salary and continue to provide him with health care benefits at a substantially similar level to the benefits provided to him while he was employed by the Company. In addition, Mr. Groesbeck shall be paid any earned but unpaid annual bonus with respect to any completed calendar year immediately preceding the date the agreement is terminated and all outstanding equity incentive awards granted to him would fully vest on the date of such termination of employment. The employment agreement also provides for, among other things, confidentiality, non-solicitation and non-competition covenants in favour of the Company. The non-solicitation and non-competition covenants apply during the term of employment and for 12 months following resignation or the termination of Mr. Groesbeck's employment.

Dennis Logan

In June 2018, the Company entered into an employment agreement with Dennis Logan, the Chief Financial Officer of the Company, which agreement was amended in January 2019, for an initial term of five years. The amended agreement provides for payment of an annual base salary to Mr. Logan, which for the current fiscal year ending December 31, 2021 is USD\$300,000 (subject to any further increases as may be approved by the Compensation Committee). Mr. Logan is also entitled to receive other benefits and perquisites, including participation in the Company's benefit plans, an annual bonus, performance bonuses and participation in the Stock Option Plan and other equity plans in effect from time to time. If the agreement is terminated by the Company with "cause" or by Mr. Logan without "good reason" (as such terms are defined in the agreement), the Company will pay Mr. Logan any accrued but unpaid base salary, accrued but unused vacation and any earned but unpaid annual bonus with respect to any completed calendar year immediately preceding the date the agreement is terminated, except in the event Mr. Logan's employment is terminated by the Company for cause in which case any such accrued but unpaid annual bonus shall be forfeited. If the agreement is terminated by the Company without cause or by Mr. Logan for good reason, including upon the change of control of the Company, the Company will, for a period of 18 months from the date of termination, continue to pay Mr. Logan his base salary and continue to provide him with health care benefits at a substantially similar level to the benefits provided to him while he was employed by the Company. In addition, Mr. Logan shall be paid any earned but unpaid annual bonus with respect to any completed calendar year immediately preceding the date the agreement is terminated and all outstanding equity incentive awards granted to him would fully vest on the date of such termination of employment. The employment agreement also provides for, among other things, confidentiality, non-solicitation and non-competition covenants in favour of the Company. The non-solicitation and non-competition covenants apply during the term of employment and for 12 months following resignation or the termination of Mr. Logan's employment.

Christian Brian Wren

In June 2018, the Company entered into an employment agreement with Christian Brian Wren, the Vice President of Operations of the Company, for an initial term of five years. The agreement provides for payment of an annual base salary to Mr. Wren, which for the current fiscal year ending December 31, 2021 is \$415,000 (subject to any further increases as may be approved by the Compensation Committee). Mr. Wren is also entitled to receive other benefits and perquisites, including participation in the Company's benefit plans, an annual bonus, performance bonuses and participation in the Stock Option Plan and other equity plans in effect from time to time. If the agreement is terminated by the Company with "cause" or by Mr. Wren without "good reason" (as such terms are defined in the agreement), the Company will pay Mr. Wren any accrued but unpaid base salary, accrued but unused vacation and any earned but unpaid annual bonus with respect to any completed calendar year immediately preceding the date the agreement is terminated, except in the event Mr. Wren's employment is terminated by the Company for cause in which case any such accrued but unpaid annual bonus shall be forfeited. If the agreement is terminated by the Company without cause or by Mr. Wren for good reason, including upon the change of control of the Company, the Company will, for the duration of the remaining term of the agreement, continue to pay Mr. Wren his base salary and continue to provide him with health care benefits at a substantially similar level to the benefits provided to him while he was employed by the Company. In addition, Mr. Wren shall be paid any earned but unpaid annual bonus with respect to any completed calendar year immediately preceding the date the agreement is terminated and all outstanding equity incentive awards granted to him would fully vest on the date of such termination of employment. The employment agreement also provides for, among other things, confidentiality, non-solicitation and non-competition covenants in favour of the Company. The non-solicitation and non-competition covenants apply during the term of employment and for 12 months following resignation or the termination of Mr. Wren's employment.

Leighton Koehler

In June 2018, the Company entered into an employment agreement with Leighton Koehler, the General Counsel of the Company, for an initial term of five years. The agreement provides for payment of an annual base salary to Mr. Koehler, which for the current fiscal year ending December 31, 2021 is \$200,000 (subject to any further increases as may be approved by the Compensation Committee). Mr. Koehler is also entitled to receive other benefits and perquisites, including participation in the Company's benefit plans, an annual bonus, performance bonuses and participation in the Stock Option Plan and other equity plans in effect from time to time. If the agreement is terminated by the Company with "cause" or by Mr. Koehler without "good reason" (as such terms are defined in the agreement), the Company will pay Mr. Koehler any accrued but unpaid base salary, accrued but unused vacation and any earned but unpaid annual bonus with respect to any completed calendar year immediately preceding the date the agreement is terminated, except in the event Mr. Koehler's employment is terminated by the Company for cause in which case any such accrued but unpaid annual bonus shall be forfeited. If the agreement is terminated by the Company without cause or by Mr. Koehler for good reason, including upon the change of control of the Company, the Company will, for the duration of the remaining term of the agreement, continue to pay Mr. Koehler his base salary and continue to provide him with health care benefits at a substantially similar level to the benefits provided to him while he was employed by the Company. In addition, Mr. Koehler shall be paid any earned but unpaid annual bonus with respect to any completed calendar year immediately preceding the date the agreement is terminated and all outstanding equity incentive awards granted to him would fully vest on the date of such termination of employment. The employment agreement also provides for, among other things, confidentiality, non-solicitation and non-competition covenants in favour of the Company. The non-solicitation and non-competition covenants apply during the term of employment and for 12 months following resignation or the termination of Mr. Koehler's employment.

Stephen Markle

In June 2018, the Company entered into an employment agreement with Stephen Markle, Vice-President, Production of the Company, for an initial term of five years. The agreement provides for payment of an annual base salary to Mr. Markle, which for the current fiscal year ending December 31, 2021 is \$200,000 (subject to any further increases as may be approved by the Compensation Committee). Mr. Markle is also entitled to receive other benefits and perquisites, including participation in the Company's benefit plans, an annual bonus, performance bonuses and participation in the Stock Option Plan and other equity plans in effect from time to time. If the agreement is terminated by the Company with "cause" or by Mr. Markle without "good reason" (as such terms are defined in the agreement), the Company will pay Mr. Markle any accrued but unpaid base salary, accrued but unused vacation and any earned

but unpaid annual bonus with respect to any completed calendar year immediately preceding the date the agreement is terminated, except in the event Mr. Markle's employment is terminated by the Company for cause in which case any such accrued but unpaid annual bonus shall be forfeited. If the agreement is terminated by the Company without cause or by Mr. Markle for good reason, including upon the change of control of the Company, the Company will, for the duration of the remaining term of the agreement, continue to pay Mr. Markle his base salary and continue to provide him with health care benefits at a substantially similar level to the benefits provided to him while he was employed by the Company. In addition, Mr. Markle shall be paid any earned but unpaid annual bonus with respect to any completed calendar year immediately preceding the date the agreement is terminated and all outstanding equity incentive awards granted to him would fully vest on the date of such termination of employment. The employment agreement also provides for, among other things, confidentiality, non-solicitation and non-competition covenants in favour of the Company. The non-solicitation and non-competition covenants apply during the term of employment and for 12 months following resignation or the termination of Mr. Markle's employment.

If the Company's NEOs were terminated without cause or resigned for good reason, including on a change of control of the Company, on December 31, 2020, the total cost to the Company of related payments to the NEOs who were employed by the Company at such time is estimated at USD\$4,432,179. Estimated payments to individual NEOs are as described below assuming the aforementioned events had occurred on December 31, 2020:

Name	Salary continuance (\$)	Share-based awards – Value vested as at December 31, 2020 (\$) ⁽¹⁾	Total (\$)
Robert Groesbeck	815,716	2,288,780	3,104,496
Larry Scheffler	815,716	2,288,780	3,104,793
Dennis Logan	300,000	849,135	1,149,135
Chris Wren	731,909	1,273,705	2,005,614
Leighton Koehler	500,723	457,759	958,483
Stephen Markle	415,001	509,481	924,482

(1) Based on the closing share price of the Common Shares as traded on the CSE on December 31, 2020 of CAD\$7.09 at an exchange rate of USD\$1.00 = CAD\$1.2732.

Director Compensation

Directors of the Company have not received any compensation, except for Stock Options under the Stock Option Plan or Share Units under the Amended and Restated Share Unit Plan. The Company does not intend to implement any pension plan or other arrangement for non-cash compensation for its directors who are not NEOs. Other than as set out in the table below, no director of the Issuer who is not an NEO has received compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or

(c) any arrangement for the compensation of directors for services as consultants or experts.

Directors Compensation Table

The following table sets forth the details of compensation provided to the directors, other than the NEOs, during the Company's fiscal year ended December 31, 2020. All amounts are expressed in US Dollars:

Name	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Michael Harman ⁽¹⁾	Nil	116,859	Nil	Nil	Nil	Nil	116,859
Adrienne O'Neal ⁽²⁾	Nil	165,827	Nil	Nil	Nil	Nil	165,827

Notes:

- (1) Elected effective June 11, 2018, concurrent with the Business Combination.
(2) Elected effective June 30, 2019.

Other than the director fees, incentive Stock Options, Share Units, and reimbursement for reasonable expenditures incurred in performing their duties as directors, the Company has no other arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year.

Outstanding Share-Based and Option-Based Awards

The following table sets for the outstanding share-based awards and option-based awards held by the directors, other than the NEOs, for the financial year ended December 31, 2020. All amounts are expressed in US Dollars:

Name	Option-Based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options(\$) ⁽¹⁾	Number of shares or units of shares that have not vested(#)	Market or payout value of share-based awards that have not vested(\$) ⁽¹⁾	Market or payout value of vested share-based awards not paid out or distributed(\$) ⁽¹⁾
Michael Harman	Nil	Nil	Nil	Nil	101,555	565,524	Nil
Adrienne O'Neal	Nil	Nil	Nil	Nil	101,555	565,524	Nil

Notes:

- (1) Based on the closing share price of the Common Shares as traded on the CSE on December 31, 2020 of CAD\$7.09 at an exchange rate of USD\$1.00 = CAD\$1.2732.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes the value of each incentive plan award vested or earned by the directors, other than the NEOs, during the financial year ended December 31, 2020. All amounts are expressed in US Dollars:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$) ⁽¹⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael Harman	Nil	214,460	Nil
Adrienne O’Neal	Nil	80,375	Nil

Notes:

- (1) The value vested during the year is calculated as the number of vested Share Units multiplied by the closing price per Common Share on the CSE on the vesting date, converted to US. dollars at the prevailing Bank of Canada exchange rate on the vesting date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding compensation plans, previously approved by Shareholders, under which securities of the Company are authorized for issuance in effect as of the end of the Company’s most recently completed financial year ended December 31, 2020:

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights (a)	Weighted-average exercise price of outstanding options and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Stock Option Plan	293,838	CAD\$1.52	10,599,237
Amended and Restated Share Unit Plan	1,764,250	N/A	10,599,237
Total	2,058,088	N/A	10,599,237

As of December 31, 2020: (i) options to purchase an aggregate of 293,838 Common Shares were outstanding, representing approximately 0.23% of the issued and outstanding Common Shares on such date; (ii) Share Units to acquire an aggregate of 1,764,250 Common Shares were outstanding, representing approximately 1.39% of the issued and outstanding Common Shares on such date, for a total of 2,058,088 Common Shares issuable pursuant to outstanding awards. As a result, Stock Options/Share Units under the Company’s equity compensation plans to purchase/receive a total of 10,599,237 Common Shares, representing approximately 7.94% of the total issued and outstanding Common Shares, were available for grant as of December 31, 2020.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers, and employees, proposed nominees for election as directors or their associates has been or is indebted to the Company or to any of its subsidiaries except as set out below.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An “informed person” means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting

securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its Shares.

To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended December 31, 2020, or has any interest in any material transaction in the current year other than as set out herein.

MANAGEMENT CONTRACTS

No management functions of the Company or any of its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company or subsidiaries, except as disclosed herein.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Shareholders may also contact the Company at 2548 West Desert Inn Road, Las Vegas, Nevada 89109.

Financial information is provided in the Company's comparative financial statements and Management's Discussion & Analysis for its most recently completed financial year ended December 31, 2020, which are filed on SEDAR at www.sedar.com.

BOARD APPROVAL

The Board has approved the content and distribution of this Circular.

DATED at Las Vegas, Nevada, this 8th day of June, 2021.

BY ORDER OF THE BOARD OF PLANET 13 HOLDINGS INC.

“Larry Scheffler”

Larry Scheffler
Co-Chief Executive Officer

“Robert Groesbeck”

Robert Groesbeck
Co-Chief Executive Officer

PLANET 13 HOLDINGS INC.

AUDIT COMMITTEE CHARTER

1. ROLE AND OBJECTIVE

The Audit Committee (the "**Committee**") is appointed by and reports to the board of directors (the "**Board**") of Planet 13 Holdings Inc. (the "**Corporation**"). The Committee assists the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation.

The Committee and its membership shall to the best of its ability, knowledge and acting reasonably, meet all applicable legal, regulatory and listing requirements, including, without limitation, those of any stock exchange on which the Corporation's shares are listed, the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), and all applicable securities regulatory authorities.

2. COMPOSITION

- The Committee shall be composed of three or more directors as shall be designated by the Board from time to time.
- A majority of members of the Committee shall be "independent"; and all shall be financially literate (as such terms are defined under applicable securities laws and exchange requirements for audit committee purposes).
- Each member of the Committee shall be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement.
- At least one member of the Committee shall have sufficient experience to be considered a Financial Expert, where such is determined by having been a chief financial officer, chartered or certified public accountant, certified management accountant, or partner of an accounting firm.
- Members of the Committee shall be appointed at a meeting of the Board, typically held immediately after the annual shareholders' meeting. Each member shall serve until his/her successor is appointed unless he/she shall resign or be removed by the Board or he/she shall otherwise cease to be a director of the Corporation. Any member may be removed or replaced at any time by the Board.
- Where a vacancy occurs at any time in the membership of the Committee, it may be filled by a vote of a majority of the Board.
- A Chair of the Committee shall be designated by the Board or, if it does not do so, the members of the Committee shall elect a chair by vote of a majority of the full Committee membership. The Chair of the Committee shall be an independent director (as described above), and as detailed herein is charged with the responsibility of oversight over matters detailed in this Charter.
- If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.
- The Chair of the Committee presiding at any meeting shall not have a casting vote.

- The Committee shall appoint a secretary (the “Secretary”) who need not be a member of the Committee or a director of the Corporation. The Secretary shall keep minutes of the meetings of the Committee. This role is normally filled by the Secretary of the Corporation.
- No Committee member shall simultaneously serve on the audit committee of more than two other public companies with active business operations or significant assets.

3. MEETINGS

- The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements, provided that meetings of the Committee shall be convened whenever requested by the external auditors (the “**Independent Auditors**”) or any member of the Committee in accordance with the BCBCA.
- The Chair of the Committee, or his or her designee, shall prepare and/or approve an agenda in advance of each meeting.
- Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by e-mail to each member of the Committee at least 48 hours prior to the time fixed for such meeting.
- A member may in any manner waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.
- Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- A majority of Committee members, present in person, by video-conference, by telephone or by a combination thereof, shall constitute a quorum.
- If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office for no more than six months, at which time the vacancy will be filled by a vote of a majority of the Board.
- At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully effective as if it had been made at a meeting duly called and held.
- The co-Chief Executive Officers (the “**co-CEOs**”) and the Chief Financial Officer (the “**CFO**”) of the Corporation are expected to be available to attend meetings, but a portion of every meeting will be reserved for in camera discussion without the co-CEOs or CFO, or any other member of management, being present.
- The Committee may by specific invitation have other resource persons in attendance such officers, directors and employees of the Corporation and its subsidiaries, and other persons, including the Independent Auditors, as it may see fit, from time to time, to attend at meetings of the Committee.

- The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
- The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.
- Minutes of Committee meetings shall be sent to all Committee members.
- The Chair of the Committee shall report periodically the Committee's findings and recommendations to the Board.

4. RESOURCES AND AUTHORITY

- The Committee shall have access to such officers and employees of the Corporation and its subsidiaries and to such information with respect to the Corporation and its subsidiaries as it considers being necessary or advisable in order to perform its duties and responsibilities.
- The Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors and resources, as it deems advisable, at the expense of the Corporation.
- The Committee shall have the authority to communicate directly with the internal and external auditors.

5. RESPONSIBILITIES

A. Chair

To carry out its oversight responsibilities, the Chair of the Committee shall undertake the following:

- provide leadership to the Committee with respect to its functions as described in this Charter and as otherwise may be appropriate, including overseeing the logistics of the operations of the Committee;
- chair meetings of the Committee, unless not present (including in camera sessions), and reports to the Board following each meeting of the Committee on the findings, activities and any recommendations of the Committee;
- ensures that the Committee meets on a regular basis and at least four times per year;
- in consultation with the Committee members, establishes a calendar for holding meetings of the Committee;
- establish the agenda for each meeting of the Committee, with input from other Committee members, and any other parties, as applicable;
- ensures that Committee materials are available to any director on request;
- acts as liaison and maintains communication with the Chair of the Board (or Lead Director if an individual other than the Chair) and the Board to optimize and coordinate input from Board members, and to optimize the effectiveness of the Committee. This includes, at least annually and at such other times and in such manner as the Committee considers advisable, reporting to the full Board on:
- all proceedings and deliberations of the Committee;
- the role of the Committee and the effectiveness of the Committee in contributing to the objectives and responsibilities of the Board as a whole;

- principal operating and business risks identified by management and how each are either mitigated or managed;
- ensure that the members of the Committee understand and discharge their duties and obligations;
- foster ethical and responsible decision making by the Committee and its individual members;
- encourage Committee members to ask questions and express viewpoints during meetings;
- together with the Corporate Governance and Nominating Committee (the “**CG&N Committee**”), oversee the structure, composition, membership and activities delegated to the Committee from time to time;
- ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently and pre-approve work to be done for the Committee by consultants;
- facilitate effective communication between members of the Committee and management;
- encourage the Committee to meet in separate, regularly scheduled, non-management, closed sessions with the Independent Auditors;
- attend each meeting of shareholders to respond to any questions from shareholders as may be put to the Chair; and
- perform such other duties and responsibilities as may be delegated to the Chair by the Board from time to time.

B. The Committee

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or legal counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee is hereby delegated the duties and powers specified in the BCBCA and, without limiting these duties and powers, the Committee will carry out the following responsibilities:

Financial Accounting and Reporting Process and Internal Controls

- review the annual audited financial statements and annual management’s discussion and analysis relating to the annual audited financial statements to satisfy itself that they are presented in accordance with either International Financial Reporting Standards (“IFRS”) or Canadian Generally Accepted Accounting Principles (collectively, “applicable Accounting Principles”), and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information and/or prior to their being filed with the appropriate regulatory authorities. The Committee shall discuss significant issues regarding applicable Accounting Principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements, the interim financial statements and management's discussion and analysis relating to such annual and interim financial statements is not significantly erroneous, misleading or incomplete and that the audit and review functions have been effectively carried out.

- review management's internal control report. In consultation with the Independent Auditors the Committee shall assess the integrity of management's risk assessments and internal controls over financial reporting and disclosure controls and procedures and ensure implementation of such controls and procedures.
- be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of these procedures.
- meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.
- inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
- review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.
- oversee the Corporation's plans to adopt changes to policy choices under applicable Accounting Principles, and related disclosure obligations.
- in consultation with the CG&N Committee, ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting and overseeing a corporate code of ethics for senior financial personnel.
- establish procedures for the receipt, retention and treatment of:
 - complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting, internal accounting controls or auditing matters.
- provide oversight to related party transactions entered into by the Corporation.

Independent Auditors

- recommend to the Board for approval by shareholders, the selection, appointment and compensation of the Independent Auditors;
- be directly responsible for oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.
- ensure the lead audit partner and the other audit partners (if any) at the Independent Auditor is replaced in compliance with applicable laws.
- be directly responsible for overseeing the work of the Independent Auditors, including the resolution of disagreements between management and the Independent Auditors regarding financial reporting.

- with reference to the procedures outlined separately in “Procedures for Approval of Non-Audit Services” (attached hereto as Schedule I), pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditors
- monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors.
- review the Independent Auditors’ audit plan, including scope, procedures, timing and staffing of the audit.
- review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit, and receive and review the auditor's interim review reports.
- obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within applicable Accounting Principles that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.
- review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
- review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.

Other Responsibilities

- perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate;
- institute and oversee special investigations, as needed; and
- review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

Schedule I

Procedures for Approval of Non-Audit Services

1. The external auditors to Planet 13 Holdings Inc. (the “**Corporation**”) shall be prohibited from performing for the Corporation the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Corporation’s accounting records or financial statements;
 - (b) financial information systems design and implementation;
 - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (d) actuarial services;
 - (e) internal audit outsourcing services;
 - (f) management functions;
 - (g) human resources;
 - (h) broker or dealer, investment adviser or investment banking services;
 - (i) legal services;
 - (j) expert services unrelated to the audit; and
 - (k) any other service that the Canadian Public Accountability Board or any other applicable regulatory authority determines is impermissible.
2. In the event that the Corporation wishes to retain the services of the Corporation’s external auditors for minimal non-audit services (e.g. tax compliance, tax advice or tax planning), the Chief Financial Officer of the Corporation shall consult with the Chair of the Audit Committee of the Board of Directors (the “**Committee**”), who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services in accordance with the requirements set forth under the “Exemption for minimal non-audit services” provided by Section 2.3 (4) of National Instrument 52-110 - *Audit Committees*, whereby:
 - (a) the aggregate fees paid for all the non-audit services that are not approved by the Committee is reasonably expected to constitute no more than five per cent of the aggregate fees paid by the Corporation and its subsidiary entities to the Corporation’s external auditor during the financial year in which the services are provided;
 - (b) the Corporation or the subsidiary entity of the issuer, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
 - (c) once recognized as non-audit services, the services are promptly brought to the attention of the Committee of the issuer and approved, prior to the completion of the audit, by the Committee.
3. All other non-audit services shall be approved or disapproved by the Committee as a whole as set forth herein.
4. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.