

Shareholders' Update – February 2018

Dear Valued Shareholder:

Things are moving quickly in the cannabis industry and here at 48North. We are pleased to provide you an update on our recent financing and the important milestones we're heading towards.

Annual & Special Meeting of Shareholders

At our shareholders' meeting on November 24, 2017, we heard some very important points of view. We hope that this Shareholders' Update provides you with enough information about 48North to better understand the status of your investment and the direction of the company.

Liquidity Event / Reverse Takeover

48North continues to work towards the listing of its shares on a recognized stock exchange. On January 5, 2018, the company entered into a binding letter of intent with Kramer Capital Corp., a Capital Pool Company as defined by the TSX Venture Exchange. It is anticipated that Kramer will acquire all of the outstanding securities of 48North, which, subject to certain approvals, will constitute Kramer's Qualifying Transaction.

In connection with the Qualifying Transaction, Kramer will complete a consolidation of its shares and options, 48North shareholders will exchange their shares for shares of Kramer on a 1:1 basis, Kramer will change its name to 48North Cannabis Corp., the board of Kramer will step down in favour of the board of 48North, and the resulting company is expected to be listed on the TSX Venture Exchange as a Tier 1 Life Science or Industrial Issuer. We hope to have the Qualifying Transaction completed in April, 2018.

Bought Deal Private Placement

In order to move forward with the Qualifying Transaction, we raised \$16,010,000 in a private placement of units at a price of \$1,000 per unit. The financing was led by Eight Capital as the sole underwriter.

Each unit is comprised of one convertible debenture with a principal amount of \$1,000 and 556 common share purchase warrants. The debentures will automatically convert into 48North shares immediately prior to the completion of the Qualifying Transaction at a price of \$0.90 and each warrant entitles the holder to acquire one 48North share at a price of \$1.15 for a period of 24 months following the completion of the Qualifying Transaction.

Quebec Expansion

In December, we entered into a binding agreement to purchase Pharmaflorx Inc., a company with plans to build a 75,000 square foot cannabis cultivation facility in Gatineau, QC. 48North intends to move forward with the construction of the Pharmaflorx facility and add the Pharmaflorx staff to our growing team. Construction should commence prior to the Qualifying Transaction.

Unique Genetics

After years of hard work and coordination with regulators in the Netherlands and Canada, 48North successfully imported its first batch of cannabis seeds from MariPharm B.V., our exclusive genetics partner. These genetics will set us apart from our competitors, positioning us as one of the few licensed producers who customers and patients are able to rely on for a wide variety of unique strains.

We have commenced the process of phenotyping and look forward to growing out these unique genetics in the coming months.

Cultivation and Licensing

Our state-of-the-art facility in Kirkland Lake continues to impress, as it is run efficiently by our expanding facility team. We were recently subject to an unannounced inspection by Health Canada which we passed with minimal feedback. We are currently ramping up production and will be at full capacity by June, 2018.

We continue to press Health Canada to attend the facility to conduct its final sales license inspection and will issue a press release as soon as the sales license is granted.

Industry Update

One of the more interesting legislative changes recently proposed by Health Canada is the possibility of allowing cannabis cultivation outdoors. While we wait to see if this particular proposal is implemented, we are considering applying for our hemp license and test our outdoor growing capabilities with a hemp crop in 2018.

Head Office Move

In order to accommodate our growing team, we recently moved our head office to 76 Stafford Street in Toronto. Our new offices are in the aptly named "Cannabis Corridor" and many of our neighbours are involved in the cannabis industry.

In Closing

48 North is growing rapidly, and we are building a diverse team with expertise in cannabis cultivation, extraction, compliance, marketing, product development, retail, consumer and medical brands. We are all focused on our vision of building a different kind of cannabis company—cultivating to the highest standard while creating the products and brands that will dominate the industry in the future. Both the medical and recreational consumers will reward brands they can trust. There are many exciting opportunities we are working on that we look forward to sharing with you in the future.

Best,



Alison Gordon
CEO, 48 North Cannabis Co.