



CO2 GRO (GROW) FREQUENTLY ASKED QUESTIONS - AUGUST 2019

CO2 Delivery Solutions Patent Progress

Our CO2 Delivery Systems pending Method of Use PCT patent is now supported and enhanced by two additional PCT provisional patents for pathogen resistance and plant metabolism. CO2 GRO has also filed for a retail hand held device patent to service the residential and small commercial markets (home gardening, landscaping, etc.).

Explain your CO2 Capture and Use on Plants Patent License

GROW has a global exclusive royalty free license for the use of two gas infusion patents (2001 and 2009) to capture and dissolve CO2 gas via microporous hollow fiber technology for all plant growth. We are entitled under this license to manufacture, distribute and license our own devices. We are also allowed to patent any IP that arises uniquely from our research, trials and experiments.

YTD 2019 Commercial Revenue

GROW's initial two installed Commercial Agreements have lease revenue calculated on a per square foot lease basis. They are currently paying \$240k/year for about 100,000 square feet of grow space. GROW covers capital expenditures related to technology equipment and set-up. Our customers pay to adapt their irrigation systems to fit with our CO2 Delivery Solutions.

Our publicly stated lease revenue target by year-end 2019 is C\$10M entering 2020. We will provide consolidated data at the end of each quarter on the run rate lease revenue.



Inventory of Components and Manufacturers

We have three contract manufacturers that are authorized to create our desired CO2 Delivery Solutions systems. Existing inventory can fulfill 20 trials or commercial pilots up to 100,000 square feet each and two large units for 2 Million square feet each that can dissolve a mixture of CO2 for leaf misting and O2 for root irrigation.

Monitoring CO2 Use

GROW's commercial CO2 Delivery Solutions have remote monitoring telemetry, allowing for ease of implementation alongside valuable data collection for analytics. The telemetry also provides "geo-tags" and location details to indicate if it is being used on site or beyond the agreed site license limits.

CO2 Gas Suppliers

GROW is CO2 gas supply agnostic. Our customers are responsible for their CO2 gas supplier relationships. Where none exist, we are happy to support the grower with these key contacts.

Are CO2 Delivery Solutions Systems Organic?

Yes, provided food grade CO2 gas from industrial gas suppliers is used. Ontario's Pro Organic states that "if CO2 gas is extracted from coal, cement or lime facilities, its extracted use would not be considered organic". Other provinces and states have their own definitions or interpretations. Please check your local codes for organic CO2 gas definitions.

We are receiving an influx of requests from organic growers who are constrained to the use of chemicals such as pesticides. Our CO2 Delivery Solutions have natural resistance features to pathogens such as E. coli and powdery mildew.



Ag Industrial Partners

We recently announced initial non-exclusive Agency Marketing Agreements with U.S. based Henry James Innovations LLC and Canadian based Organic Grow Solutions Inc. We expect to announce more such Agreements shortly. Our revenue objective with these organizations is to leverage their sales forces and penetrate their grower customers to accelerate the roll-out of our CO2 Delivery Solutions.

How Many Proposals and What Trials Are Underway?

As of late July 2019, we have twenty four grow trial proposals out to North American growers; eighteen of which are cannabis companies. One is a UAE vegetable greenhouse grower. These companies represent 18 million square feet of indoor grow space opportunities.

Active is a medical tobacco trial to see whether targeted protein grown inside tobacco leaves for cancer drugs can be enhanced by accelerating tobacco leaf growth. Also, we have started outdoor trials with four different vegetable types.

These proposals once signed will be mostly or fully paid for using our fully automated generation two CO2 Delivery Solutions.

What Regulatory Approvals and Exemptions Do You Have?

In mid-2018, we received Regulatory Exemptions from the Health Canada Pesticide Management Regulatory Agency or PMRA and the Canadian Food Inspection Agency or CFIA. Our CO2 Delivery Solutions can be used on any food plants grown in Canada. The CFIA concluded that our technology which efficiently mixes CO2 gas and water “does not meet the definition of a supplement”.

As of October 17, 2019, Health Canada proposes to clarify under Section 5 Production Practices that all water that touches a cannabis plant has to be potable. Provided growers use potable water, our dissolving of CO2 gas into potable water will not change its potable definition. As such, we will meet Section 5 Production Practices, which will reinforce the value of our CO2 Delivery Solutions for Canadian Licensed Producers of cannabis.



What Part of a Plant Grow Cycle is CO2 Delivery Most Effective?

The best demonstrated effect is speeding the process of growing plants from initial sprouts to sexual maturity. Once plant budding initiates, there is no difference in further plant growth speed. However, our first customer is successfully using a CO2 Delivery Solution system through budding and flowering to minimize powdery mildew, a common threat for growers of certain plants like cannabis and peppers.

Why Ask Shareholders to Approve Moving to the CSE?

We have no interest in moving to the CSE Exchange from the TSXV. However, the U.S. Federal Government has not nationally decriminalized cannabis. 31 States have decriminalized and they are great individual markets of opportunity. An October 2017 TSXV Bulletin states that any listed company “must comply with all the laws and regulations in the jurisdictions in which they operate”. The CSE does not have similar constraints and would be the exchange of choice, should it be required.

It is possible that GROW’s legal U.S. cannabis business becomes material enough and we may be asked by the TSXV to de-list, in the event of delayed US Federal decriminalization. The June 2019 shareholder vote was passed in anticipation of potential challenges and to expedite the process if necessary. As hemp’s U.S. status has become legal, GROW is also focusing on this large sector of new opportunities.

What other benefits do GROW’s CO2 Delivery Solutions provide?

GROW’s CO2 Delivery Solutions provide game changing CO2 Delivery technology and processes. They enable agricultural growers to meet the increasing demand for plant food and other value added plant products such as cannabis, hemp, and human medicines extracted from tobacco leaves. By using GROW’s CO2 Delivery Solutions, the following benefits exist to plant growers and society overall:



- ***A 50% reduction in the traditional amount of CO2 gas used in greenhouses that are economically capable of doing so, which thereby:***
 - *Reduces production costs*
 - *Reduces the overall carbon foot print and also positively affects climate change*
 - *Enhances greenhouse employee health as CO2 gassing can be eliminated*
- ***Enhanced plant yields compared to traditional plant growth method***
 - *Potential added plant growth cycles (i.e. cannabis growers have demonstrated the ability for adding one more grow cycle per year)*
 - *Decreased overall costs and added profitability*
 - *Optimization of existing assets – land and infrastructure*
- ***Optimization of all assets and processes, thereby enhancing plant output and reinforcing environmental stewardship.***