

Omicron design plans for PacWest Phase 1 Cultivation Facility, set to commence construction upon delivery of Modus Modular units.

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QUARTERLY NEWSLETTER

WHAT'S HAPPENING AT PACWEST?

Welcome to our newly introduced Pacific West Canopy Quarterly Newsletter to Shareholders. We are committed to continually improving our Shareholder Communications and invite you to stay current with the exciting progress being made by PacWest as we get closer to the delivery of our Cultivation Facility.

HEAD OFFICE RELOCATION

PacWest has secured office space in close proximity to Calgary's International Airport. Our new office address is Unit 202, 90 Freeport Blvd. NE Calgary, AB T3J 5J9.



MOVING ON....

Effective November 23rd, 2018, PacWest have accepted the resignation of Jas Basi from the position of Chief Operating Officer (COO). Jas will continue a relationship with PacWest as an advisor consultant to the executive team.

Jas has been with PacWest since its inception in 2017 and was an integral part of where we are positioned today. On behalf of everyone at PacWest, we wish Jas all the best and thank him for his efforts to date.

Our Construction Partners:



MASTER GROWER



PLEASE WELCOME KRIS KALLU, PACWEST'S MASTER GROWER!



We are extremely fortunate to welcome **MASTER GROWER** and farming expert **KRIS KALLU** to the PacWest team. Kris has 30 years of experience in farming and agriculture, with the previous 11 years in cannabis specific farming. During these 11 years, Kris specialized with tissue cultures. He was the Head of Production at a cannabis facility and has extensive knowledge and experience in the design of several marijuana facilities and their customized mechanical solutions.



We are excited to welcome **JT THOMPSON AS OUR NEW CHIEF OPERATING OFFICER**. JT has over 20 years' operational experience with an extensive background in budgeting, creating and protecting Intellectual Property, branding, marketing, and sales. JT will also implement a Shareholder's Communication Plan to improve our external communications in the constantly changing landscape of the Cannabis Industry.



We are also excited to welcome **CAM BISSONETTE AS OUR NEW DIRECTOR OF DISTRIBUTION**. Cam has been a business owner and entrepreneur for over 25 years. He obtained a Marketing Diploma from Okanagan University College in 1993. Subsequently Cam obtained a Duty-Free License from the Federal Government and purchased multiple Duty-Free Stores across. Cam brings extensive experience and knowledge in the federally regulated retail environment, which allows him to operate and market several successful locations. Cam also possess widespread knowledge of newly introduced Provincial Cannabis Distribution Regulations and has pre-existing relationship within various Liquor Distribution Branches.



MODUS

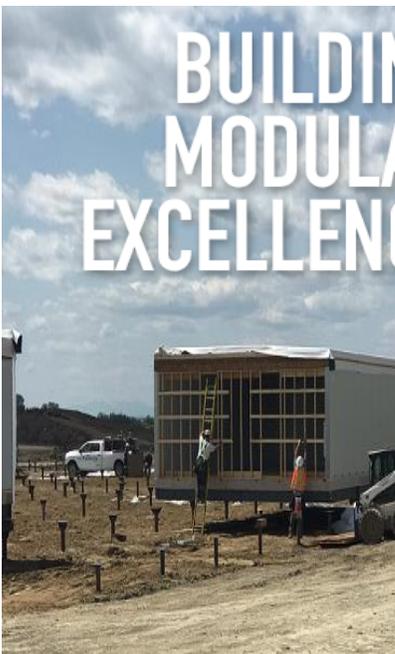
CONSTRUCTION UPDATE

MODUS FUNDING SECURED

PacWest, through their Design & Build Partners Omicron, have worked tirelessly to comply and adhere to the ever-changing rules and regulations imposed by various stakeholders relating to the cannabis growers. Recently, the Agriculture Land Commission (ALC) issued a Bulletin amending Agricultural Land Reserve (ALR) usage. Through a close working relationship with the severely short-staffed ALC, and the work of our dedicated team and vendors, solutions were reached and PacWest will once again aggressively pursue the completion of our Phase 1. Modus Structures' payment will be delivered prior to the New Year, and we have been advised our Modus units will be delivered 30 days preceding. Modus, in conjunction with Omicron and other partners, have set tight timelines, allowing 45 days for full assembly and hook-up of the units on-site.

Upon full assembly and installation of our Growing Systems and related infrastructure, PacWest begin cultivation!

Please see Omicron design prints for our Modus units at the end of this Newsletter.



LICENSE UPDATE

CULTIVATION LICENSE/DISTRIBUTION LICENSE

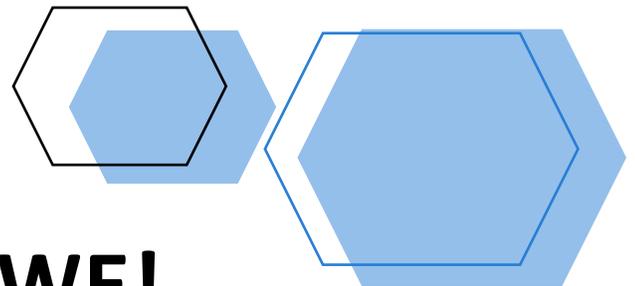
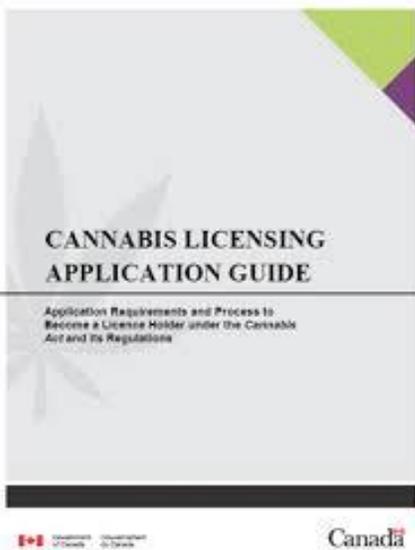
Upon completion of our Phase 1 Build, and to obtain our License to Cultivate, PacWest is subject to Good Production Practices that are meant, among other things, to ensure the cleanliness of the premises and equipment. Any licensed producer is required to employ a quality assurance person with appropriate training, experience, and technical knowledge to approve the quality of fresh and dried marijuana, marijuana plants and seeds, and cannabis oil prior to making it available for sale. PacWest must demonstrate their initial 2 crops meet these strict Health Canada guidelines.

Licensed producers must conduct tests on their products, including, as applicable:

- for disintegration of capsules or similar dosage forms of cannabis oil.
- for residues of solvents in cannabis oil for content of delta-9-tetrahydrocannabinol, delta-9-tetrahydrocannabinolic acid, cannabidiol and cannabidiolic acid.

AS WELL AS MEET OTHER REQUIREMENTS

- Sanitation Program
- Standard Operating Procedures
- Establishment of a Recall System

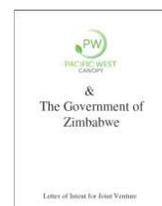


PACWEST IN ZIMBABWE!

PACWEST CLOSING IN ON ONE OF THE LARGEST INTERNATIONAL JOINT-VENTURE PARTNERSHIPS IN AFRICA

In partnership with Mexx Global, a multi-billion-dollar logistics company based out of U.A.E., PacWest International has been approved by the Government of Zimbabwe and Alliance Africa Holdings Ltd, their economic arm, to proceed to the final stages of their review prior to formalizing a “first of its kind” Joint-Venture partnership with a Canadian entity.

Under this partnership, PacWest will cultivate, extract and sell medicinal CBD product derived from cannabis and hemp plants. This low production cost model is what sets PacWest apart in an increasingly competitive market and will open up the larger international medicinal market. In addition, PacWest will secure, on an exclusive basis, the world-renowned local genetics for various cannabis and hemp strains. This will be added to PacWest’s growing Seed Bank.





PACWEST E-COMMERCE SITE

SET TO LAUNCH ON Q1 2019

PacWest Canopy is excited to announce it has engaged a 3rd party digital marketing team, Blender Media, to work with the internal team to modernize the website design and development, create a news release distribution strategy, promote a brand that resonates with investors and clients, and launch a highly secure, easy to use e-Commerce site to further assist promoting our brand while supplying customers with a variety of high-quality products. The PacWest IT team is working in conjunction with this initiative to begin applying business intelligence and machine learning strategies to better understand our customers, their buying habits, products they prefer, and motives to remain relevant and at the forefront of this competitive industry.

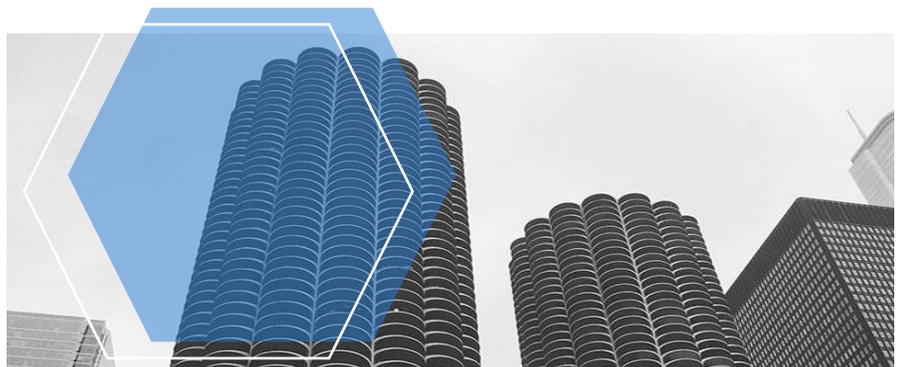
PACWEST PUBLIC LISTING UPDATE

AMALGAMATION WITH LOON ENERGY CORP.

Subsequent to our recent announcement of an Amalgamation with Loon Energy Corp., PacWest has engaged WDM Chartered Professional Accountants to carry out our compulsory financial audit. Loon Energy Corp. has retained KPMG. Once both parties' audits are complete, a Notice of Meeting will be sent to our shareholders 30 days prior to a scheduled meeting, and will include transaction details, audited financials including Management Discussion and Analysis, as well as an Information Circular. This Information Circular will include the necessary information shareholders require to receive their personal share certificates for the publicly listed issuer. We are hopefully of conducting this meeting in Q1 2019. Upon successful approval by our Shareholders, PacWest will seek a listing on the Canadian Securities Exchange. We are hopeful of having Conditional Approval prior to this meeting. However, as was PacWest's strategic decision to not list during the volatile time surrounding the legalization date and avoiding a significant de-valuation of our company, PacWest, in consultation with industry experts and our valued shareholders, will analyze that day's capital market environment and proceed in a manner most beneficial for our company and shareholder's long-term value.



*PACWEST WILL SEEK A LISTING ON THE CSE; IT HAS NOT RECEIVED APPROVAL AS OEC. 2018





CALL TO SHAREHOLDERS

PacWest recently opened its second round of financing to raise the necessary remaining funds required to see use through to our Distribution License. Soon after opening the second round, a shift in the outlook that capital markets had towards potential Canadian LPs shifted and their appetite for such deals declined. In response to this fluid environment, PacWest understood and thoughtfully acted to meet the market's new demands. We started to work on auxiliary projects related to the cannabis industry, and have now realized PacWest Technology, which holds provisional patents for handheld extractors, PacWest Retail, which will provide a roadmap for our vertical integration, and finally PacWest International, which will control and operate our international joint-ventures, the one "must have" demanded by the market (low cost production for export of medicinal CBD products to the international market). All 3 entities are wholly-owned subsidiaries of PacWest and will create significant shareholder value.

Upon opening our second round the market appetite had adjusted for cannabis deals and the PacWest team only found institutional brokerage firms preying on companies in our position. Many fell by the wayside, and others settled into overly dilutive equity investments, essentially handing over control to a small group of institutional investors. Once again, PacWest sought to protect the equity position of its shareholders and slowed down capital expenditure hoping to ride out the wave. Subsequently PacWest has also secured debt financing, an instrument which is non-dilutive.

PacWest will once again commence its fundraising efforts and would like to extend to our current shareholders an opportunity to assist their own investment. As such we have 2 options for shareholders to participate and help PacWest deliver our project which we consider more desirable than other forms of dilutive investment.

OPTION 1

Current Private Placement offered at \$0.30 for one common share **plus a half warrant**, exercisable for 2 years at a price of \$0.45.

OPTION 2

Convertible Debenture, whereby the shareholder will offer PacWest a loan convertible to common shares of PacWest at a favourable rate and at the shareholders option. If the shareholder decides not to convert the loan amount into common shares, their money is repaid with interest.

Financing Requirements



IF YOU WOULD LIKE TO DISCUSS A FURTHER INVESTMENT IN PACWEST PLEASE EMAIL US AT INFO@PACWESTCANOPY.COM, OR CALL US 1.888.426.9333 (WEED).

FORWARD-LOOKING STATEMENT

This Newsletter contains certain information that may constitute “forward-looking information” within the meaning of Canadian securities laws and forward-looking statements within the meaning of U.S. federal securities laws, both of which the Corporation refers to as forward-looking information. Forward-looking information can be identified by the use of terms such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “potential”, “continue” or other similar expressions concerning matters that are not statements about the present or historical facts. Forward-looking information in this Newsletter includes, but is not limited to, information or statements about: the business model and illustrations; the Company’s strategy, future operations, prospects and the plans of management; the design, regulatory plan, timeline, costs and results of cannabis licensing and production; the timing of future meetings and discussions with Health Canada and other regulatory bodies; planned regulatory filings, and the timing thereof; anticipated marketing advantages and product differentiation of and its potential to become a licensed producer; the Company’s estimates of the size of the potential market, potential for market expansion, and the rate and degree of market acceptance, and the Company’s ability to serve such market; the Company’s strategy and ability to develop, commercialize and distribute in international markets; the Company’s ability to complete business development, marketing and other commercialization activities and the estimated timing thereof; the Corporation’s sales, distribution and marketing strategy; the Corporation’s intention and ability to obtain and maintain regulatory approvals, the timing and costs of obtaining same; the success of competing products that are or become available; the potential for commercial opportunities in various geographies and indications, including co-development and/or marketing partnerships and possible licensing and partnership opportunities, and the benefits to be derived from such commercial opportunities; and the Company’s preferred strategy to commercialize through strategic partnerships.

Although the forward-looking information in this Newsletter is based upon what the Company believes are reasonable assumptions, no person should place undue reliance on such information since actual results may vary materially from the forward-looking information. In addition, forward-looking information in this Newsletter is subject to a number of known and unknown risks, uncertainties and other factors, many of which are beyond the Company’s control, that could cause the Company’s actual results and developments to differ materially from those that are disclosed in or implied by the forward-looking information. Consequently, all the forward-looking information in this Newsletter is qualified by this cautionary statement and there can be no guarantee that the results or developments that the Company anticipates will be realized or, even if substantially realized, that they will have the expected consequences or effects on the Company’s business, financial condition or results of operations. Accordingly, you should not place undue reliance on the forward-looking information. Except as required by applicable law, the Company does not undertake to update or amend any forward-looking information, whether as a result of new information, future events or otherwise. All forward-looking information is made as of the date of this Newsletter.

