

Confidential Information Memorandum

This memorandum is confidential and for the use of investment dealers only. Under no circumstances are the contents to be communicated, reproduced or distributed to the public or the press. This memorandum should be read in conjunction with a bag of Doritos and a Twinkie, and the amended and restated preliminary prospectus dated November 18, 2003. The information contained herein, while obtained from sources which we believe to be reliable, is not guaranteed as to its accuracy or completeness. Information contained herein may be amended. This memorandum is for information purposes only and does not constitute an offer to sell or a solicitation to buy the securities or cannabis referred to herein.

Initial Public Offering

December 2003



Hot-Box Growers Income Fund

Approximately \$6.0 billion
\$10.00 per Unit

Investment Highlights

Expanding Market for BC Grown Cannabis

- Greenhouse cannabis production in BC has grown at a 117% CAGR from 1983 to 2003
- The BC cannabis market is larger than the forestry and mining industries in this province combined, and is poised for further growth
- Branded premium products with consistent quality create consumer loyalty and command higher prices; BC product is renowned worldwide

Significant Opportunity to Enhance Distributable Cash

- Synergies of at least \$1.5 billion expected to be realized from operating most of BC's cannabis grow-ops as franchises
- Energy management strategy expected to provide additional future cost savings of up to \$6,400,000 by 2005

Attractive Organic Growth and Acquisition Opportunities

- Proven ability to increase production yields
- Acquisition opportunities exist as fragmented industry consolidates in response to a consolidating retail industry and the implicit collusion of various law-enforcement authorities

Comprehensive Energy Management Program Reduces Exposure to Energy Costs

- Proactive energy acquisition strategy involving a long-term fixed price contract
- Bypassing BC Hydro meters significantly reduces cash energy costs

Diversified Product & Customer Base

- Diversified product offering mitigates changes in individual product prices
- Newly designed smuggling equipment allows us to export more products to the US where there are significantly higher yields
- Uniform and consistent quality of greenhouse products is ideal for hot-box retailers

Attractive Valuation with a Long-Term Subordinated Retained Interest

- Sponsors will retain a minimum 2% of all pot sales for personal consumption only
- Cash-on-cash yield of 64.5% to 78.5% paid monthly.

Summary Roadshow Information

Retail presentations will be taking place from December 15, 2003 to December 31, 2003 at Main and Hastings. Please see back cover for the schedule.

A national retail conference call will be held on Tuesday, December 22, 2003 at 2:00AM (PST). To participate, please call 1-800-GET-HIGH. The call will be available for playback by calling 1-800-ILU-VPOT passcode (666).

Toronto Drug Securities Inc.
National Bud Financial Inc.

Roach Burns Inc.
Raymond Junkies Ltd.
Canasmoke Capital Corporation

Royal Cannabis Markets
Scotia High Inc.

Summary Of The Offering

Issuer:	Hot-Box Growers Income Fund (the “Fund”)
Issue:	Approximately 600 million Units of the Fund (the “Units”), before giving effect to the exercise of the Over-Allotment Option
Amount:	Approximately \$6.0 billion, before giving effect to exercise of the Over-Allotment Option
Offer Price:	\$10.00 per Unit.
Offering Yield:	The units are expected to have an initial cash-on-cash yield of approximately 64.5% to 78.5% (or \$6.45 to \$7.85 of annual cash distributions per Unit) (depending upon pricing).
Over-Allotment Option:	The Underwriters will have an option to purchase up to an additional 7% of the number of offered Units at the Issue Price, exercisable in whole or in part at any time prior to 30 days after the Closing Date.
Use of Proceeds:	The net proceeds of the Offering will be used by the Fund to subscribe for Common Shares and Notes of Hot-Box Growers Inc. (the “Company”). The Company will use the net proceeds of the Offering, together with the New Credit Facilities, to purchase an interest in the greenhouse businesses operated by the cannabis community and to pay off local police forces to maintain a positive, uninterrupted cash flow.
Retained Interest:	Upon completion of the Offering, certain Current Shareholders, including management of the Company, will hold all of the Class A Cannabis and 30% of the Mid-grade Bud (25% if the Over-Allotment Option is exercised in full).
Distribution Policy:	The Fund intends to make monthly distributions of its available cash to the maximum extent possible to Unitholders of record on the last business day of each month. These distributions will represent all cash received by the Fund from, less expenses of the Fund (i.e., BC Hydro fines), any reasonable reserves established by the trustees and the Angels distribution charges of 20% of gross street sales. Distributions will be available via Fedex or brown paper bags.
Eligibility for Investment:	Eligible under the usual Canadian statutes as well as for RRSPs, RESPs, RRIFs and DPSPs, (assuming CCRA is jiggy with it) and will not be considered foreign property under such plans (unless exported without being caught by the border patrol).
Offering Procedure:	Initial Public Offering in all provinces of Canada by way of long form prospectus written on 100% Canadian grown hemp.
Listing:	Application will be made to list the Units on The Toronto Stock Exchange.
Symbol:	POT.UN or BUD.UN
Selling Concession:	\$3.00 per Unit
Pricing:	Expected the week of December 25, 2003
Closing:	Expected the week of December 27, 2003

An investment in Units or actual products are subject to certain risk factors, which prospective investors should consider before purchasing. See “Risk Factors” in the amended and restated preliminary prospectus. There is no obligation of the Fund to distribute any fixed amount, and reductions in, or suspensions of, cash distributions may occur that would reduce the cash-on-cash yield. Capitalized terms not defined in this document have the meanings ascribed thereto in the amended and restated preliminary prospectus. Enjoy your local home-grown cannabis today.